

## ANNUAL GENERAL MEETING

### 2023/24 YEAR

**Tuesday 30 July 2024**

**18:00 – 19:00**

**Louisa Martindale Building**  
 Royal Sussex County Hospital,  
 Eastern Road, Brighton, BN2 5BE

Item: 1	Time: 18:00	<b>Welcome and Introductions</b>	Verbal	Presenter: Chair
Item: 2	Time: 18:00	<b>Chief Executive's Review of the Year</b> followed by Question and Answer session	Presentation	Presenter: Chief Executive Officer
Item: 3	Time: 18:30	<b>Presentation of the Annual Report and Accounts 2023/24 for University Hospitals Sussex NHS Foundation Trust</b> , followed by any questions from the Public on the Trust's accounts	Presentation / Enclosure	Presenter: Chief Financial Officer
Item: 4	Time: 19:00	<b>Close and move to Council of Governors meeting.</b>	Verbal	Presenter: Chair

University Hospitals Sussex NHS Foundation Trust  
Annual Report and Accounts 2023 / 24

---



University Hospitals Sussex NHS Foundation Trust  
Annual Report and Accounts 2023 / 24

---

Presented to  
Parliament pursuant  
to Schedule 7,  
paragraph 25(4) (a) of  
the National Health  
Service Act 2006



## University Hospitals Sussex NHS Foundation Trust

### Annual Report 2023-24

---

#### **1. Performance Report**

- 1.1 Welcome from the Chairman and Chief Executive
- 1.2 About the Trust
- 1.3 Performance Analysis

#### **2. Accountability Report**

- 2.1 Directors' Report
- 2.2 Governors' Report
- 2.3 Staff Report
- 2.4 Remuneration Report
- 2.5 Regulatory Ratings
- 2.6 Statement of Accounting Officer's Responsibilities
- 2.7 Annual Governance Statement

#### **3. Accounts for 1 April 2023 to 31 March 2024**

- 3.1 Independent Auditor's Report

## 1. Performance Report

The purpose of this section of the Annual Report is to provide a summary of the purpose and activities of University Hospitals Sussex NHS Foundation Trust the Trust's priorities and objectives for 2023/2024, the key risks to achieving these objectives and how we have performed in relation to these during the year.

### 1.1 Welcome from the Chairman and Chief Executive

From 1 April 2023 to 31 March 2024, our colleagues at University Hospitals Sussex NHS Foundation Trust cared for more people in Sussex than ever before, and we wish to begin by saying a heartfelt and immense "thank you" to them all for everything they have achieved.

Over the past 12 months, 1.2 million patients had an outpatients' appointment. 421,000 people attended our emergency departments. 134,000 patients were admitted onto a ward. 50,000 people had surgery in our operating theatres. And 8,650 babies were welcomed into the world.

While remarkable just by themselves, these numbers are especially impressive given how extraordinarily challenging the year was on many different fronts – both for us, all our health and care partners in Sussex, and the wider healthcare sector.

From unprecedented bouts of industrial action to enormous increases in demand for hospital services, the resilience demonstrated by our staff has been phenomenal and we owe them a huge debt of gratitude for all they have done in very trying circumstances.

Colleagues have done their utmost throughout the year to provide high quality care and keep our patients safe, and, at times, sadly this has led to more appointments and procedures being rescheduled and too many patients waiting longer than is acceptable to access our services.

We deeply regret this and wish to apologise to anyone who has been affected in this way. Throughout the year, we have been working extremely hard to reduce waiting times for patients and we can report improvements.

For example, our 4-hour A&E performance improved by around 6% year-on-year; with help from a national oversight group, we reduced our total waiting list every month from October to March, bucking the national trend; and improvements in cancer treatment waiting times exceeded planned recovery by the end of the year.

However, we know much more remains to be done and that the progress made to date will be cold comfort to patients who are still waiting too long to access services. The day-to-day reality for them, and the frontline teams who care for them, remains very challenging.

The context is important though. Each of our main hospitals has been operating either at, or above full capacity, for prolonged periods this year. And on many days, we have more than 300 patients in beds who no longer require hospital care, but who cannot leave due to staffing, capacity and funding issues in other parts of the local health and care sector.

The impacts of this are often most keenly observed in overcrowded emergency departments and full hospital wards, which in turn lead to longer waiting times and poorer patient experience - while there is much more still to do, many of the causes of this lie outside of the direct control of our Trust.

This is why we have strived to work ever more closely with all our partners from the Sussex Health and Care Partnership and NHS Sussex Integrated Care Board. The systemic issues we face affect us all and it is only by working together that we can deliver the improvements we all want to see for patients.

We wish to thank all our primary care, community, mental health, ambulance, and social care colleagues for working with us during the year and for all their ongoing collaboration and support.

### **Improving patient experience**

Despite the difficulties of the past 12 months, we must also recognise the significant improvements and transformation hundreds of thousands of patients have experienced at University Hospitals Sussex.

The most dramatic being the opening of the Louisa Martindale Building at Royal Sussex County Hospital in June 2022. The new eleven storeys that now constitute the main hospital building on the campus, have completely transformed the way the hospital looks, feels and is experienced. The Welcome Space is bright and spacious, our Outpatients services, Critical Care and Theatres are purpose-built to the highest modern standards, and everywhere is flooded with natural light. In January, demolition also began on the old Barry Building which will be making way for a new Sussex Cancer Centre at the hospital.

Towards the back of the campus, we also secured £48 million pounds from NHS Sussex to reconfigure the emergency department and acute floor to help us address longstanding capacity issues. Significant work has since taken place to ensure the money is used to maximum effect to transform the experience of patients and staff in the A&E department over the coming years.

New investments in urgent and emergency care were also secured for our other hospitals, with £4.5m earmarked for a new Urgent Treatment Centre (UTC) and Same Day Emergency Care Unit (SDECU) at Worthing, and a similar amount for a further SDECU at St Richard's Hospital in Chichester. Unfortunately, this latter development was delayed following the discovery of

reinforced autoclaved aerated concrete, or RAAC, at St Richard's - another one of the challenges of the past year.

Meanwhile, a GP-led UTC model of care has been piloted at Princess Royal Hospital in Haywards Heath which has reduced waiting times and enabled our hospital medical teams to focus more on the patients who most need their specialist skills and expertise. At Princess Royal Hospital we also opened an £8 million Urology Investigation Unit that brings specialty expertise together, reducing the number of visits to hospital for many patients, and most importantly helping to diagnose potentially life-threatening conditions such as cancer more swiftly. The Women's and Children's Service at the hospital also opened a new Gynaecology Assessment Unit to improve facilities for their patients.

In October, there was a step-change in access to scanning services for the people we serve when our new Community Diagnostics Centre (CDC) opened at Southlands Hospital in Shoreham-by-Sea. Designed to speed up diagnosis and improve patient experience, the CDC has provided quicker access to world-class CT and MRI scanners, and three cutting-edge X-ray rooms, for more than 30,000 patients so far. Work also began on phase two of the CDC development to provide further diagnostic services, including echocardiography, gynaecological and respiratory procedures. CDC support hubs are now providing mobile MRI and other diagnostic facilities more local to people living nearer Bognor and Falmer.

Future improvement in stroke care was secured in November when plans for a new Acute Stroke Centre (ASC) were agreed for St Richard's, working as part of a network with the Comprehensive Stroke Centre at Royal Sussex County Hospital. The decision, that followed years of detailed work and public consultation, will improve care and outcomes for patients by providing access to specialist stroke services 24 hours a day, seven days a week once the new facility is built at the hospital in Chichester.

These are just some of the highlights from the capital programme in 2023/24, but many more improvements for patients have been delivered through Patient First improvement programmes taking place at every level of Trust, from ward and departmental improvement huddle actions to organisation-wide breakthrough objectives, corporate projects, and strategic initiatives.

Making improvements in our hospitals in everyone's business, no matter where you work or what you do. Everyone is encouraged to share their ideas, speak up, and report all incidents to foster a learning safety culture founded upon the practices of continuous improvement.

In July we invested in a new, independent, and confidential Speak Up service, which is available to staff 24 hours a day, seven days a week. We also introduced a new incident reporting system which makes it easier to theme issues and share feedback and learning across the Trust. It also immediately

alerts our Chief Medical Officer, Chief Nurse, and Patient Safety Director to all moderate or more severe harms that are reported.

We have also responded to visits from the Care Quality Commission, who returned to the Trust in August to inspect medicine and surgery services at our hospitals. In January, we received new CQC inspection reports from these visits and each hospital is now rated “Requires Improvement” overall, but “Outstanding” for Caring in most instances and the rating for Surgery services at Royal Sussex County Hospital was improved.

Key actions and recommendations from the CQC have been combined with feedback from other bodies such as NHS England, NHS Sussex and organisations such as Healthwatch and the Royal College of Surgeons to inform a new Quality and Safety Improvement Programme (QSIP) that was established in October.

Its core workstreams have been specifically designed to address the themes arising from CQC inspections and other oversight processes. These include improving quality, governance, risk management and assurance; meeting Well Led CQC criteria; improving access to surgery for patients; and improving the safety culture across the Trust.

QSIP, together with other major programmes of work to reduce waiting times for emergency, elective and cancer care, is the way we are implementing the positive changes that we, our patients, partners and regulators want to see. Our plans are detailed and robust, and designed to ensure that both us and our stakeholders can have confidence in the services and standards we are delivering.

To support this, we have invested in new technology and introduced new governance and live reporting processes to ensure we can provide information and assurance from every level of the Trust, from ward to board, by division of hospital, that provides insight and oversight of our large and complex Trust.

This is a key stage of our journey as a relatively young organisation that marked only its third birthday on 1 April 2024. Merging two large organisations during the Covid-19 pandemic was both complex and complicated. Each of our legacy Trusts brought strengths and weaknesses to the partnership and, distilling the best from each, and forging successful change, takes time. It cannot be rushed – but we have confidence in our trajectory and the ambition of our plans.

We are realistic about the challenges that lay ahead, but we are optimistic as well. We have a team of 20,000 passionate and talented people, the support of our communities, and of our partners and stakeholders too. Together, we can realise our immense potential as one of the largest Trusts in the country and continually improve care and health services for the people of Sussex.

We hope you enjoy reading further details about UHSussex in this 2023/24 Annual Report.



.....  
**Dr George Findlay**  
**Chief Executive**  
26 June 2024



.....  
**Alan McCarthy, MBE, DL**  
**Chair**  
26 June 2024

## 1.2 About the Trust

University Hospitals Sussex NHS Foundation Trust (UHSussex) is one of the largest organisations in the NHS. We employ nearly 20,000 staff, serve a population of around 1.8 million people and have an annual operating budget of around £1.6 billion.

The Trust provides all district general hospital services for Brighton and Hove, West and Mid Sussex and parts of East Sussex. We also provide specialist services for patients from across the wider South East. These include:

- neuroscience,
- arterial vascular surgery,
- neonatology, and
- specialised paediatric, cardiac, cancer, renal, infectious disease and HIV medicine services.

The Trust runs seven hospitals in Brighton and West Sussex:

- Princess Royal Hospital in Haywards Heath
- Royal Alexandra Children's Hospital in Brighton
- Royal Sussex County Hospital in Brighton
- St Richard's Hospital in Chichester
- Southlands Hospital in Shoreham-by-Sea
- Sussex Eye Hospital in Brighton
- Worthing Hospital in Worthing

Our Royal Sussex County, Worthing, St Richard's and Princess Royal hospitals all have 24-hour accident and emergency units. Maternity services are available at all four hospitals. The County is also our centre for major trauma and tertiary specialist services. We provide children's services at the Royal Alexandra, St Richard's and Worthing. Eye care is based at the Sussex Eye Hospital and at Southlands, which also specialises in day-case procedures, diagnostics and outpatient clinics.

We also provide services at GP surgeries, health clinics and other hospitals. These include:

- Bognor War Memorial Hospital,
- Brighton General Hospital,
- Crawley Hospital,

- Hove Polyclinic,
- Lewes Victoria Hospital,
- the Park Centre for Breast Care, and
- sexual health clinics across the county.

Our status as a university hospitals Trust is helping us develop as an academic centre. We offer high-quality medical teaching and contribute to cutting-edge research and innovation. To do this, we work closely with our partners at:

- the Brighton and Sussex Medical School,
- Health Education England,
- Kent, Surrey and Sussex Postgraduate Deanery, and
- the Universities of Brighton, Chichester and Sussex.

University Hospitals Sussex has a core focus to put the patient first and foremost – our ‘True North’. This is underpinned by a commitment to continuous improvement and a set of values selected by our staff, patients and stakeholders:

- **Compassion and communication**  
We treat our patients and staff with the same compassion and empathy we expect for ourselves. We’re here for them when they need us, and we go above and beyond to meet their needs. We care about everyone’s well-being, because that’s why we do what we do. And we make sure everyone feels informed and included. We always find the time to communicate with staff and patients, however busy we may be, because people’s lives depend on it.
- **Inclusion and respect**  
We welcome everyone and treat people as individuals – celebrating difference and always taking the time to listen. We respect people’s choices and always do our best to anticipate their needs. We treat everyone fairly and make sure people are free to be themselves. We make sure our Trust provides equal access for everyone and we put in place the processes, support and advocacy needed to meet people’s individual requirements.
- **Teamwork and professionalism**  
We work together to provide exceptional care and uphold the highest standards. We value learning, teaching and training so that we can be the best that we can be. We collaborate, we forge partnerships and we celebrate each other’s success. We make sure all our voices are heard and we speak out when things aren’t right. Our colleagues are our extended family – we stand shoulder to shoulder through good times and bad. We’re driven by our desire to put our Patient First.

More than 28,000 staff, patients and local people are members of the Foundation Trust. Our members help shape our future plans and priorities. They also elect our Council of Governors. Our governors represent the views

of our community and act as a “critical friend” to the Trust. This means they keep an eye on our performance and hold the organisation to account.

## Our year in numbers

In 2023/24:

- We held more than 1.22 million outpatient appointments (2022/23 1.2 million)
- We received more than 600,000 referrals for care (2022/23 670,000)
- We saw more than 421,000 people in our emergency departments (2022/23 400,000)
- We admitted more than 134,000 patients to our wards (2022/23 107,000)
- We performed more than 134,000 in patient operations and day case procedures (2022/23 134,000)
- We delivered more than 8,650 babies (2022/23 8,300)
- More than 5,500 people started cancer treatment (2022/23 5,192)

More information about the Trust's operational and financial performance is available in Section 1.3 of this report.

The headquarters of the Foundation Trust are:

Chief Executive's Office  
Worthing Hospital  
Lyndhurst Road  
Worthing  
West Sussex BN11 2DH

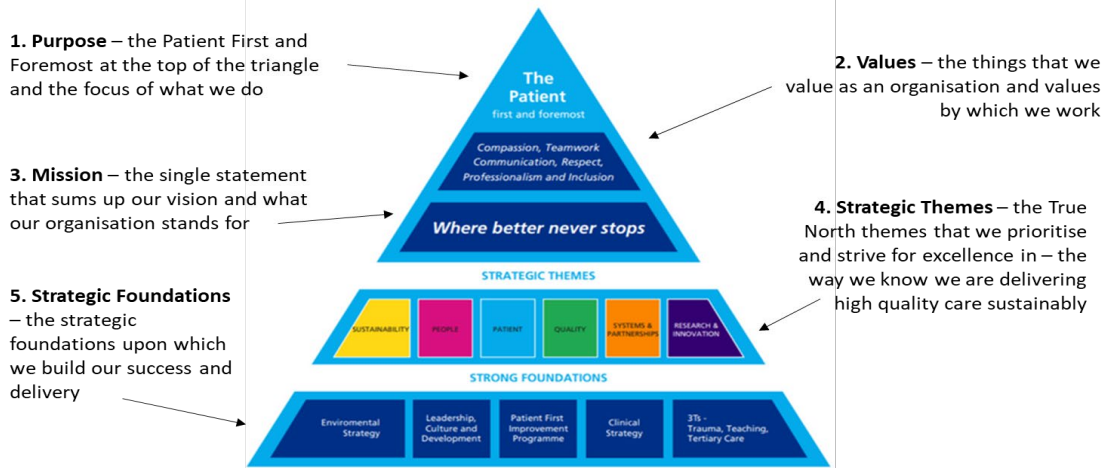
## 1.3 Performance Analysis

### 1.3.1 Patient First

Patient First is our long-term approach to transforming hospital services for the better. It provides structure for how the Trust identifies, manages and delivers change, providing staff with opportunities to engage – and be engaged with – and deliver improvements across all our hospital sites.

Patient First is how, as a Trust, we deliver improvement. Every member of the Trust – from our front line teams who deliver care to patients, through to our back-office teams that keep the hospitals running smoothly, through to our managers and leaders of the organisation – is encouraged to build personal capability, be inquisitive and most importantly be at the centre of delivering improvements that in turn improve the care to our patients.

*Patient First is described visually in the form of a triangle:-*



It starts with our purpose, mission and values. These describe our core focus, or **True North**: putting *the patient first and foremost*. It is important that staff both understand what is important to the Trust, as well as how they can help deliver improvement...and that we are all working to the same goal.

Patient First's strategic themes are the components of excellent care every time. We plan our improvements under these themes, as they describe the areas we need to prioritise to keep moving towards our goal.

- The **patient** has to be at the heart of everything we do
- Our services must be **sustainable**
- We need to attract and keep the best **people**
- We have to strive for the very highest **quality**
- We must work with the wider **system and our partners**
- And we should invest in **research** so we can use **innovation** to drive our improvement

### **Patient First in 2023/24**

The Patient First Improvement Programme is now in its third year at University Hospitals Sussex. It is delivered in part through the Kaizen Office, an internal team of trained improvement practitioners who support and coach staff in the delivery of change using Patient First tools and techniques.

Within the programme, pillars provide structure to how we describe and manage our improvements:-

**Improvement initiatives** are projects that are aligned to True North metrics, managed by lean-trained staff in the Trust and supported by the Improvement & Delivery team. They are categorised into three different areas of focus

- breakthrough objectives (top contributors to True North; c12 month duration)

- strategic initiatives (projects that will take c3 years to deliver complex changes); and
- corporate projects (typically lasting c18 months that require central oversight)

*Patient first themes at a glance*



Within the 2023/24 portfolio, there have been a number of corporate projects successfully delivered, for example the opening the new Community Diagnostic Centre at Southlands and the Quality Governance project. As part of project close-down, evaluations take place to ensure that any ongoing actions are firmly embedded into business-as-usual or have any remaining elements managed under new improvement projects. For example, within the Quality Governance project a new Quality Scorecard and Quality Manual were created to ensure that clinical and corporate colleagues were aware of their responsibilities in the delivery of high quality services, and performance was managed through the regular review of key quality metrics.

Effective deployment of strategy to all members of the Trust is critical, to ensure that staff understand their role in the delivery of Patient First improvements. **Strategy Deployment** includes the Trust’s lean management system (Patient First Improvement System – PFIS) which empowers front-line staff to remove waste and make local improvements. At the end of 2023/24, the Trust has trained nearly all of its front-line clinical teams in PFIS. During 2023, there was also a statistical improvement in PFIS maturity (how the Trust measures the use and delivery of improvement using PFIS tools and processes), with more wards and department’s using PFIS to deliver True North related improvements.

Through using data to understand biggest contributors, front line units have focussed improvements on key Trust Breakthrough Objectives - Falls and Median Hour of Discharge. By using PFIS methods, these 40 front-line units have shown how patient falls can be reduced, and how we can help ensure patients are discharged earlier in the day – allowing patients to settle

themselves back home before nightfall but also creating capacity and enabling us to care for other sick patients needing beds in our hospitals.

During significant periods of change over the past year, we have used Patient First tools and techniques to successfully deliver change. This includes the opening of the Louisa Martindale building at Brighton, which was a unique opportunity for the Trust to re-establish Patient First tools and processes. Teams moving into the building used a variety of tools to plan, communicate and deliver first-class care to patients in a new environment. Improvement huddles took place from the first day of patient moves into the building, with 164 improvement tickets implemented in the new building within the first 12 weeks of occupation. With the use of refreshed visual management tools, locally-driven improvements helped ensure key risks such as patient falls and length of stay remained a key focus during this period of change.

The next stage of local improvement tool deployment has been to establish a Daily Management System - where conversations take place from ward to board every day to ensure the Trust achieves organisational performance goals.

*Diagrammatic representation of how the daily management system fits within the wider management framework*



Following a successful pilot, this is being rolled out to all medical wards at Worthing and Brighton hospitals during 2024/25, whereby continued evaluation will be undertaken to determine further roll-out.

**Capability building** continues to be a key part of how the Trust successfully delivers its strategic goals. Yellow Belt training – supporting staff to solve problems at a local level using lean six sigma tools and techniques – has recommenced in the organisation. By training our own staff in the identification and delivery of improvement techniques, grow-your-own problem solvers will ensure that the Trust continues to be able to deliver its strategic aims.

**Strategy Development** is how the Trust reviews and agrees its improvement priorities. In October 2022, the Trust set out its strategic direction for the coming period, and during 23/24 it has continued to work towards the True North strategic vision that was described. Traditionally at the end of a financial

year activity would take place to set the goals and targets for the coming reporting period, this year the Trust has undertaken a light-touch refresh of its priority projects, recognising that some projects have come to the natural end of their delivery scope alongside some emerging priority actions. A more in-depth review of strategy will take place in the first half of 2024/25, led by the Trust's newly appointed Chief Strategy Officer, providing the Trust with clear strategy for the next 18 months.

### **Patient First Academy**

In 2023/24, two Trusts successfully completed their learning through the Patient First Academy, which was a peer support programme designed to provide practical, experienced support and advice to enable Trusts to shape and own delivery of their own continuous improvement journey. The learning encompassed four key phases:-

- Phase 1 – Readiness Assessment, CI Leadership Behaviours and Developing the Board vision (including Executive Team personal A3s)
- Phase 2 – Strategy Development, including development of True North and True North strategic themes
- Phase 3 – Strategy Deployment, including A3 thinking, catchballs and SDR
- Phase 4 – People Training, including PFIS and PFIP for leaders

Positive feedback has been received from Trust's involved in the Academy, including the openness of UHSussex in the sharing of materials and experience, and the approach which provided practical methodology as opposed to a pure tool-kit based on theory alone. Whilst there is now a growing network of Trusts using Patient First tools and concepts, no further academy offering is planned in 24/25 to enable the Trust to redirect its own resources back into improving the maturity and effectiveness of the UHSussex continuous improvement programme.

### **Patient First Strategic 2023/24 Priorities**

To ensure that Patient First remains at the heart of how the Trust delivers improvement, there are a number of developmental initiatives that have been progressed during 2023/24. Building on how the Trust uses Patient First, they seek to either embed or extend tools and techniques. An example of this is the development of Hospital Strategy Deployment Review (SDR) meetings, where leaders of the organisation will come together to review improvements that are important to our hospitals and help ensure that the point of treatment environments for our patients remain effective and productive. We have also reviewed our Divisional SDR format, to ensure it continues to support our operational teams in the delivery of required improvements.

### 1.3.2 Trust True North Goals

**The Patient – True North:** for all of our patients to have a positive experience of the care that they receive within the organisation as measured by the Friends and Family Test.

Our Friends and Family Test (FFT) patient feedback demonstrates that through the 2023/24 year the significant majority of the Trust's patients had a good or very good experience of their care with an average score of 90% which meets the local true north target and is slightly higher than the previous year (88% for 2022/23). However, there was an overall decline in patient reported positivity through the 2023/24 year. The Trust overall response rate was 22%, this was slightly higher at 24% in the prior year.

Consistent with the national position for the NHS, patient experience is most positive in outpatient, inpatient and maternity services and least positive in accident and emergency departments. Compared to national average, University Hospitals Sussex' patients' reported experience is more positive for maternity (96% compared to monthly averages of 93%-94% nationally) and emergency departments (82.5% locally compared to monthly averages of 78-81% nationally), in line for outpatients (94% locally and nationally) but less positive for inpatient care (92.5% locally compared to 95% nationally). Each of the Trust's eight clinical divisions had an average annual patient reported positive experience rate of 93% or higher.

Each month, the Trust receives between 10,000 and 19,000 surveys from patients rating their experience of their care, with between 9,000 and 11,000 patients leaving comments. Through the 9 commissioned Friends and Family Test system, these comments can be analysed by theme, site, ward, speciality and clinical division to identify strengths and opportunities for improving patient experience.

The Trust also supports completion of the national patient surveys commissioned by the CQC every year for hospital admissions where feedback is taken from a representative sample of patients. This is designed to be a one-off snapshot of experience or views that can be compared with other Trusts and is based on a lengthy structured questionnaire. In year, the 2023 Maternity Services Survey was undertaken and published, with the results presenting a positive position for patient experience of maternity services, with performance in the top third of Trusts nationally. The 2022 national inpatient and emergency care surveys results were published this year. For A&Es UHSussex performed 'as expected' and in the middle of the national results for overall experience however the Trust was in the bottom third nationally for patient reported experience of the urgent treatment centres.

The inpatient survey, when compared with the national profile of responses, was average in terms of performance across all questions.

Other means of monitoring experience included feedback from complaints and PALS enquiries, patient engagement activities, PLACE audits, governor

committees, comments placed on social media and the NHS Choices website, Healthwatch reports and patient feedback submitted to Healthwatch.

Insights from all of these sources informed the University Hospitals Sussex Patient Experience Strategy 2022 to 2025 which was launched in July 2022 alongside a range of metrics to track the main contributors for patient experience. The strategy has continued to be implemented through 2023/24 and includes the Trust’s ambitions to improve customer service, use of volunteers, staff wellbeing and reducing waits in line with Patient First values and processes, and ensuring accountability.

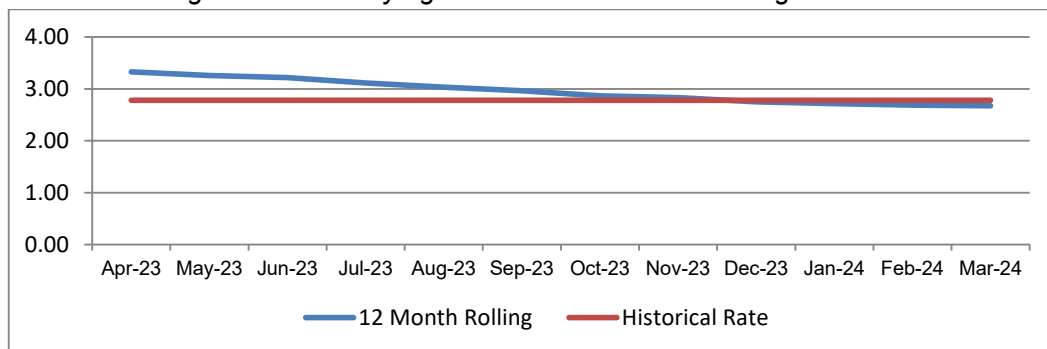
**Quality – True Norths: to achieve the lowest crude mortality within our peer group and aim for a 5% reduction in harm to our patients.**

*To achieve the lowest crude mortality within our peer group*

The Trust’s peer group contains nine other Trusts from the south east, UHSussex currently has the 5<sup>th</sup> highest crude mortality rate in this group with a rate of 2.56 for 2023 (the most recent data available), Maidstone and Tunbridge Wells currently have the lowest rate of 1.5%

Figure 1 displays the 12 month rolling crude mortality rate for the period April 2023 to March 2024. The graph highlights that since December 2023 the 12 month rolling crude mortality rate has been below the historical Trust rate of 2.78%. The Trust’s crude mortality rate for 2023/24 was 2.67%, a reduction of 4% on the historical rate.

*12 month rolling Crude mortality against Trust’s historical average*



The Trust has continued to monitor complementary mortality ratios, these being the Hospital Standardised Mortality Ratio (HSMR) and the Standardised Hospital-Level Mortality Index (SHMI). The Trust continues to have a HSMR within the expected ranges and the latest information gives a hospital ratio below the standard of 100 and 99.12.

The Trust’s SHMI data shows whilst this index is within the expected range it is higher than 100 with 4674 observed deaths against an expected 4457. Reviews are undertaken across the 142 SHMI diagnosis groups and where these are alerting with higher mortality than predicted, this early warning

signal triggers a full review to review the processes for treating these clinical conditions to roll out learning across the Trust.

### *Reducing harm*

Trustwide it is expected that patients do not suffer harm whilst in our care. However, it is recognised that there are patients who suffer new harm which is acquired during their time in hospital. This has a significant impact on patients, families, carers and staff and within the wider organisation. The Quality True North objective for harm reduction at UHSussex is 'Zero harm occurring to our patients when in our care'.

The Trust encourages all healthcare professionals to report incidents as soon as they occur to ensure timely investigation and outcomes, which are shared to support learning that is reflective of a positive safety culture.

The Trust historically used nationally reported and verified data from the National Reporting and Learning System (NRLS) to benchmark its reporting culture against other like for like performing NHS Trusts.

In 2023/24 the overall average rate of incidents reported by UHSussex was 48.8 per 1000 bed days. This is an increase from 2022/23 reporting. The national average reporting rate as recorded by the National Reporting and Learning System in 2022 (NRLS) was 54.9, the current national reporting baseline has been paused since 2022 due to the replacement of NRLS with the introduction of the NHS England Learning from Patient Safety Events (LfPSE) in 2023/24. The 2024/25 Trust target is a reporting rate of 60 per 1000 bed-days.

In 2023/24 a significant programme of work has been underway to implement a single standardised, Trustwide incident reporting system allowing for ease of reporting, feedback, and shared learning.

The new system opens opportunities to enhance system functionality enabling improvements in the Trust's risk and quality management using the most up to date developments in the system.

February 2024 saw the go-live of the incident reporting module along with the integration from the NRLS to the new NHSE LfPSE platform.

The system is now fully aligned with the Trust Clinical Operating Model (COM) allowing for full matrix working between the divisional triumvirate and hospital senior management teams. Incident data is visible via an alerting system to the hospital Directors and hospital Directors of nursing to allow for risk mitigation and real time feedback to staff who report an incident. The Chief Medical Officer, Chief Nursing Officer and Director of Patient Safety and Learning all receive immediate alert notifications on reported incidents with a harm level of moderate and above.

**Our People – True North: to be in the top acute Trust in the country for staff engagement.**

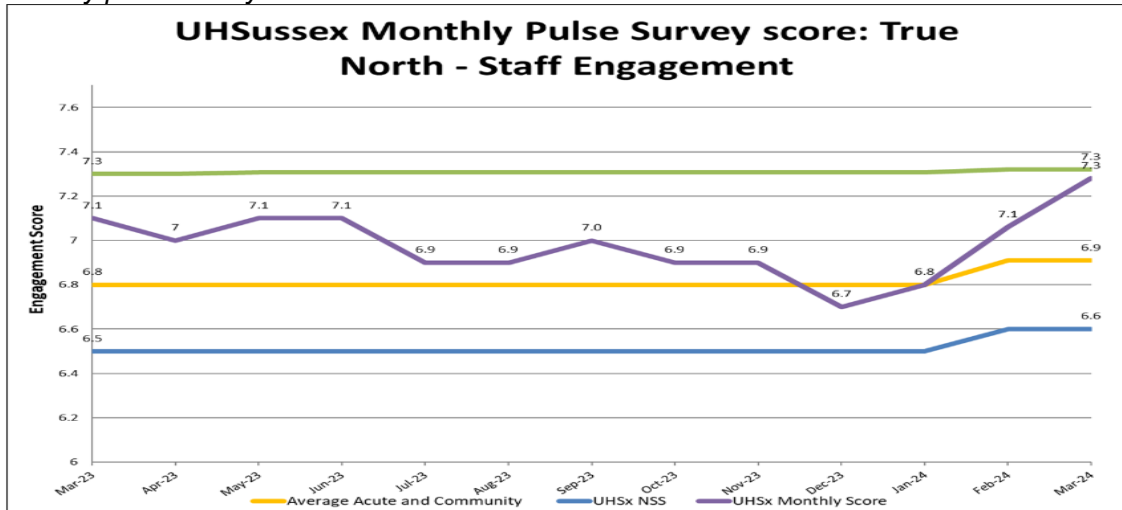
Our people are critical to the Trust and the delivery of high quality patient care. We undertake a range of activities and support to ensure we attract, retain and develop a workforce that is motivated, engaged and empowered in and inclusive and supportive environment.

Improving staff engagement is the strategic objective for the People domain of Patient First and our long-term objective is to achieve a staff engagement score that places the Trust in the top quartile of acute Trusts. It is recognised that high levels of staff engagement are linked to improved safety and productivity supporting high quality patient care and sustainable services.

In 2023/24 we have also continued to focus on ‘staff voice that counts’ working with Divisions and Services to use our Patient First Improvement System to increase the number of staff who would speak up both confident that they would be heard and that their feedback would be acted upon. Our strategic initiative, longer term work on the culture of the Trust, also continued focussing on equality diversity and inclusion (EDI), violence prevention and reduction (VPR) and leadership. This, alongside other work on key staff issues and supporting the seven NHS people promises, such as health and wellbeing, delivered an improvement in the Trust’s NHS staff survey results in 2023.

Staff engagement, as measured through the annual NHS staff survey, was 6.6 (out of 10) in 2023 (an Improvement from 6.5 (out of 10) in 2022). The average across acute Trusts was 6.9. The Trust also monitors engagement monthly through a ‘pulse survey’ and has seen overall improvement in 2023/24 albeit with monthly fluctuations.

Monthly pulse survey score March 2023 to March 2024



Respondents: 695

The willingness of staff to raise issues confident that something will be done about it has also improved over the year. This has been supported by the new Freedom to Speak Up Guardian arrangements and work to publicise the ways in which staff can raise issues and developing expectations around how leaders and managers respond and provide feedback to staff on those issues. The Trust will continue work on this in 2024/25.

Throughout 2023/24 the Trust has continued to engage with staff, trade unions and students through a variety of means including:

- Staff briefings
- Staff conferences (education, disability, staff conference etc)
- Hospital fora
- Formal trade union meetings
- Newsletters
- Staff listening events
- Surveys
- Walkabouts
- Education faculty groups
- Junior Doctors Forums

The Trust's work to support our people is overseen by the People Committee which receives regular updates on plans, priorities and risks.

**Sustainability – True North: to ensure that the Trust sustainably achieves 'Break Even' financially.**

The Trust's True North is measured through the metric of delivering the Trust's Financial Plan. The delivery of the Trust's financial plan is measured through:

- I&E Performance: achieving the agreed Income & Expenditure deficit;
- Cash: maintaining sufficient cash balances;
- Capital: delivering the agreed capital programme; and
- Efficiency: achieving a performance higher than forecast.

The Trust ended the year with I&E performance of the £14.95m deficit agreed with the Sussex Integrated Care Board. The year-end cash balance for the Trust and Pharm@sea Limited of £20.07m was £39.94m less than planned mainly as a consequence of the deficit and supporting the delivery of the capital programme. In respect of the year-to-date BPPC performance, the Trust paid 90% of invoices (volume), which represents 92% of payments (value) within agreed terms with suppliers. The 2023/24 capital expenditure of £85.53m, was delivered through £11.78m on 3Ts and £73.75m on operational capital schemes. The Trust delivered £52.87m of efficiencies, against a planned target of £62.0m, predominantly within the 3% cost reduction and productivity schemes. Underperformance against the 19/20 baseline coupled with elevated levels of insourcing and outsourcing in comparison to 2019/20, resulted in a loss of productivity savings this year.

**Systems and Partnerships – True Norths:** to have 95% of A&E patients waiting less than four hours to be admitted or discharged and to eliminate referral to treatment 78 week waits.

The NHS Operating Framework in 2023/24 was to achieve for 76% of patients that attend A&E for urgent or emergency care a waiting time of less than four hours by March 2024, and to have 92% of patients referred for elective care having a referral to treatment (RTT) time below 18 weeks, with a focus on eliminating the longest 65 week waits. The Trust also had to reduce its prospective cancer 62 day backlog in line with national expectations.

In 2024/25 we are focusing improvement actions on reducing the numbers of patients who attend A&E, waiting over four hours for treatment but do not require admission to hospital as well as improving the flow through our hospitals (via the length of stay improvement programme) to reduce the amount of time patients who require admission wait in the A&E department. In line with the planning guidance this requires improvement to 78% A&E 4-hour performance by March 2025. The Trust is also committed to reducing the length of time patients wait for elective care with the aim being to eliminate the numbers of patients waiting more than 65 weeks by the end of September 2024, have no more than 5% waiting diagnostic tests by March 2024, and to see the continued improvement in reducing prospective 62 day cancer waiters.

The Trust has observed short notice cancellations of elective care as a result of industrial action throughout 2023/24 constraining elective routine patient capacity.

In A&E the Trust saw, treated, admitted or discharged 69.9% of patients within 4 hours across the year despite significant flow constraints, and increased A&E demand. This was a 6.6% improvement relative to 2022/23 but was both below the National target of 76% and was 2.3% below the National average. The Trust has worked collaboratively with partners, continued to develop our estate to support A&E and has continued to enhance our internal process improvements which will continue to mature and deliver improvements in our performance in 2024/25.

Due to the effect of industrial action, the performance target for 2023/24 for RTT was moved from eliminating over 65 week waits, by March 2024 to September 2024. The Trust saw an increase of 854 over 65 week waits in 2023/24. The Trust had 326 patients waiting over 78 weeks at the end of March 2024 compared to 257 March 2023.

Positively the Trust exceeded the target for reducing the cancer 62 day patient backlog to 329 by the end of March 2024.

**Research and Innovation – True North:** University Hospitals Sussex will be a place where all patients and staff have the opportunity to participate in high-quality research and innovation which is relevant to them and will work with

partners across Sussex to ensure the whole population benefits from health and care research and innovation.

Research and Innovation drive continuous quality improvement in healthcare and help NHS organisations attract and retain a high calibre workforce. University Hospitals Sussex has a Research and Innovation True North ambition putting research at the heart of the Patient First vision, the Trust's long-term approach to transforming hospital services for the better. The Trust focuses its continuous improvement work through strategic themes as the components to deliver 'excellent care every time'. In October 2022 we established a sixth strategic theme, one for research and innovation, reflecting our ambition and potential as a tertiary centre.

We have set out a vision for University Hospitals Sussex as a place where all patients and staff have the opportunity to participate in high-quality research and innovation which is relevant to them, and where we work with partners across Sussex to ensure the whole population benefits from health and care research and innovation. Our vision is set out in our new Research and Innovation Strategy - [Research and Innovation Strategy 2023-2028 - University Hospitals Sussex NHS Foundation Trust \(uhsussex.nhs.uk\)](#). We will achieve this by broadening engagement in research across our organisation and throughout our workforce, and through the Brighton and Sussex Health Research Partnership with the Sussex Health and Care Partnership Integrated Care System, other health and care service providers in Sussex and academic partners including the Brighton and Sussex Medical School (BSMS).

This year the Research and Innovation breakthrough objective has focused on growing and broadening the opportunities for our patients and staff to take part in research by increasing the number of active research studies, increasing the number of patients recruited to research studies and broadening the involvement of different clinical services and their staff in delivering research.

We have achieved our annual breakthrough objective of 10% growth in recruitment of participants into National Institute of Health Research (NIHR) portfolio studies. This year we have recruited 7,534 (37% Increase from 2022/23) participants to portfolio studies across a range of clinical specialties. When benchmarked against other NHS acute Trusts, we have improved our rank from 32<sup>nd</sup> to 24<sup>th</sup> acute NHS Trust for patient recruitment in 2023/24.

### 1.3.3 Risk Management

The Trust has an established risk management framework. This framework incorporates a Board Assurance Framework (BAF) which is used to record and track the management of the Trust's strategic risks against each of the Trust's true north objectives. Each strategic risk has an executive lead and is overseen by a specific Committee of the Board. Throughout the year regular reporting of these risks has been provided through the Board Committees to

the Board and at each Board meeting the Board confirmed the Board Assurance Framework fairly represented the Trust's strategic risks.

The Board utilises the Trust's risk appetite statements when determining the strategic risks respective risk's target scores. During the year the BAF records how the Trust has been managing its 14 strategic risks. Across 2023/24 the Trust had seen a number of these risks increase meaning at the year end nine of these key risks exceeded their determined target score and eight of these risks were rated as significant.

Summary of the Trust's strategic risks as monitored through the Trust's BAF

<b>1. Patient (Oversight provided by the Patient and Quality Committee)</b>
1.1 We are unable to deliver or demonstrate a continuous and sustained improvement in patient experience resulting in adverse reputational impact, and poorer patient experience.
<b>2 Sustainability (Oversight provided by the Sustainability Committee)</b>
2.1 We cannot continue to deliver efficiencies and increase productivity whilst operating in a financially constrained framework and are unable flex resources to deliver strategic and operational plans.
2.2 We are unable to meet high standards of financial stewardship meaning we cannot sustain compliance with our statutory financial duties.
2.3 We are unable to deliver the changes required to become environmentally sustainable, reduce our carbon footprint and achieve the ambition to be a net zero carbon organisation.
<b>3 People (Oversight provided by the People Committee)</b>
3.1 The capability and capacity of leadership across the Trust is insufficient to lead continuous improvement and build a high performing organisation across the breadth of our patient first TN objectives.
3.2 We are unable to develop and embed a culture of continuous improvement built on high staff engagement, inclusion and involvement.
3.3 We are unable to meet our workforce requirements through effective workforce design (skill mix), recruitment, development, training and retention of sufficient staff adversely affecting capacity to deliver services, continuous improvement and Patient First TNs.
3.4 We are unable to consistently meet the health, safety and wellbeing needs of our staff, particularly impacting minoritized groups usually disproportionately affected, in the context of the lasting long term impact of the pandemic and other post-pandemic challenges such as high inflation, financial hardship leading to high levels of absence and inability to retain staff
<b>4 Quality (Oversight provided by the Patient and Quality Committee)</b>
4.1 We are unable to deliver safe and harm free care to reduce mortality and morbidity.
4.2 We are unable to deliver service improvements to improve safety and outcomes for our patients or to demonstrate that our services are clinically effective and comply with regulatory requirements or clinical standards.
<b>5 Systems and Partnerships (Oversight provided by the Systems and Partnerships Committee)</b>
5.1 We are unable to develop and maintain collaborative relationships with partner organisations based on shared aims, objectives, and timescales leading to an adverse impact on our ability to operate efficiently and effectively within our health economy.

5.2 We are unable to define and deliver the strategic intentions, plans and optimal configuration that will enable our services to be sustainable, leading to an adverse impact on their future viability.
5.3 We are unable to deliver and demonstrate consistent compliance with the 23/24 operational plan and NHS constitutional standards resulting in an adverse impact on patient care and financial penalties and the Trust's reputation.
<b>6 Research and Innovation (<i>Oversight provided by the Research and Innovation Committee</i>)</b>
6.1 We are unable to fully harness research and innovation capacity and capabilities thus being unable to meet the Trust's stated ambition of being a high-class research organisation. This may impact on our ability to attract and retain staff and provide the highest quality of intervention for patients.

For each of these strategic risks there is a detailed series of mitigations which will continue to be implemented throughout 2024/25. The delivery of these mitigations and their impact on the risks is monitored through the appropriate Committee of the Board.

The work of the Patient Committee provides assurance to the Board in respect of the Trust's action to manage patient experience risk, especially during the periods patients had extended waits for their treatment and care.

The Quality Committee maintained a focus on the management of the Trust's key quality risks. Due to operational and workforce pressures the mitigation of the quality risks was less successful than planned and thus these risks remained scored as significant and above their target. The Quality Committee has also overseen the mandated Perinatal dashboards and associated actions.

The People Committee has enabled the Board to track the formulation and delivery of plans to manage these risks alongside receiving direct information from staff feedback / surveys on the efficacy of the wellbeing programmes developed to support the Trust's staff. The People Committee has also received information from the Trust Freedom to Speak up Guardian and the Guardian of Safe Working on both their activities but also on the programme of work supporting staff to be able to raise matters where improvements can be made. The Committee has also supported the Board by scrutinising the Trust's equality, diversity and inclusion (EDI) strategy ahead of the Board approving the respective EDI priorities as the start of the work the Board is to drive forward during 2024/25. At the end of 2023/24 the Committee changed its name to the People and Culture Committee to make explicit its oversight of the Trust's drive to improve its culture.

The Trust has taken a number of actions to enhance its processes to support the wellbeing of its staff and whilst this strategic risk reduced over the year the Committee and Board recognised that there remained challenges to the staff wellbeing within some of the areas of the Trust most notably those area seeing an increase in demand for their services including Emergency Care.

The Trust took action during the year in respect of the key sustainability risks but given the changes to the 2023/24 financial framework the key financial

sustainability risk remained significant scored. The Trust did revise its financial plan for 2023/24 recognising that the Trust was not able to meet a break-even position.

The Trust's Systems and Partnerships Committee considered a range of risks which included the oversight of the risks regarding to the key constitutional targets and the work of the Trust in prioritising the treatment of patients according to their clinical needs, in line with national guidance. The Trust entered Tier 1 oversight in respect of Cancer and Planned Care (Referral To Treatment) and whilst improvement was made and the agreed improvement trajectories were met, this strategic risk remained significantly scored. This was due in part to poor emergency care performance and failing to meet the required 76% target in March but also due to the pressure on the waiting list due to industrial action across the year reducing the Trust's capacity to treat a number of patients. The Quality Committee maintained a complementary review of the Trust's processes to manage the quality risks for patients waiting.

The Research and Innovation Committee was established during the year as a dedicated committee to oversee the Trust's Research and Innovation domain which has seen it receive information on the developed Research Strategy along with information on the participation levels within various research trials.

The Audit Committee in their review of the Trust's Board Assurance Framework processes complement the work of the respective Board Committees.

The Trust has continued to invest time and executive oversight into the enhancement of the Trust's reporting of its highly scored risks, particularly those linked to the Trust's corporate projects and strategic initiatives which complement the Trust's BAF risks. This activity has seen the development of a dedicated risk oversight group which across each quarter supports a focus on divisional risk management, the management of cross cutting divisional and corporate risks and the oversight the interlinkage of highly scored risks and the strategic risks. The work of the Group is supported by the Trust's corporate risk management team who also support the divisions to enhance both their risk literacy as well as their levels of compliance with the Trust's risk management policy. Reporting of these levels of compliance also flows to the Trust's Audit Committee.

Further detail in respect of the Trust's risk management framework can be found in the Trust's annual governance statement which is at section 2.7 of this report.

#### **1.3.4 Performance Framework**

University Hospitals Sussex NHS Foundation Trust utilises an extensive Performance Framework to ensure sustained delivery of key measures based on the principles of the Balanced Scorecard. This framework ensures scrutiny,

assurance, and where necessary, remedial actions and follow through to compliance recovery. The layering of this framework ensures oversight occurs through:-

- Directorate review of departmental/ward delivery
- Divisional Management Board review of associated Directorates
- Divisional Strategy Deployment Reviews (SDRs) undertaken by the Trust Executive
- Regular performance review by the relevant Board Committees of Sustainability, People, Patient and Quality and Systems and Partnerships which support the review at Trust Board of the Trust's integrated performance report.

Each layer of review and action considers both the key targets and outcomes / objectives used to assess operational performance under the Trust's Patient First Domains including the True North metrics and a wider set of balanced scorecard indicators that have been selected to provide a more complete view of operational risks and interdependencies. The review process is underpinned by a suite of business intelligence tools designed to show outcomes, but also the drivers of potential compliance risks such as changing demand profiles.

### 1.3.5 Operational performance

The operational performance of UHSussex is measured against key access targets and outcomes objectives set out in the NHS Operating Framework by the NHS National Executive (NHSE). For operational performance these are:

- A&E maximum waiting time of 4 hours from arrival to admission/transfer/ discharge. National Target of >76% by March 2024
- RTT patients on an incomplete pathway - zero over 65 week waits by March 2024
- All cancers – maximum 62-day wait for first treatment from:
  - urgent GP referral for suspected cancer
  - reduction of prospective 62 day PTL
  - 28 day Faster Diagnosis Standard > 75%
- Maximum 6-week wait for diagnostic procedures - no greater than 5% waiting over 6 weeks by March 2024.

**A&E**  
table showing A&E performance

Constitutional Standards	Mar-24												22/23 YTD	23/24 YTD	Var	Trend
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24				
<b>A&amp;E and Emergency Flow</b>													76%			
A&E 4 Hour Performance UHS	71.66%	72.16%	71.40%	72.26%	69.42%	69.29%	69.32%	68.45%	68.02%	70.02%	68.27%	69.05%	63.4%	69.9%	6.6%	
A&E Performance National	74.6%	74.0%	73.3%	74.0%	73.0%	71.6%	70.2%	69.7%	69.4%	70.0%	70.9%	74.2%	70.8%	72.1%	1.3%	
A&E 4 Hour Breaches	9,094	10,012	10,063	9,800	10,537	10,750	10,930	11,022	11,285	10,602	10,884	11,692	146510	126671	-19839	
A&E 12 hours in department	1,833	2,059	1,852	1,563	1,937	2,258	2,536	2,704	2,863	2,998	2,798	2,865	28786	28266	-520	
A&E Attendances	32,093	35,961	35,185	35,322	34,460	35,009	35,630	33,973	35,077	30,201	29,840	33,977	400202	406728	6526	
Time to Triage	15	14	16	12	14	16	16	15	17	17	18	17	22.2	15.5	-7	
Time to Treatment	116.6	118.2	128.9	127.3	131.4	129.8	125.7	130.7	133.0	125.9	140.6	140.3	130.7	129.0	-2	
Mean Waiting Time	304.2	302.8	308.8	294.5	313.7	331.5	338.5	355.9	361.4	360.6	358.9	345.3	342.3	331.3	-11	
Ambulance Handovers	6,576	7,101	6,459	6,999	7,002	6,786	7,097	6,754	7,166	7,298	6,701	7,152	77390	83091	5701	
Ambulance Handover <15 minutes	55.3%	55.8%	60.5%	67.6%	63.9%	59.7%	56.2%	56.2%	49.8%	52.0%	52.5%	53.0%	44.8%	56.9%	12%	
Ambulance Handovers > 60 minutes	1.9%	2.7%	3.4%	2.0%	2.8%	3.2%	5.9%	4.8%	7.9%	7.8%	8.3%	7.2%	5.8%	4.8%	-1%	
Emergency Admissions > 1 LOS	3,176	3,301	3,239	3,276	3,221	3,256	3,394	3,286	3,397	3,318	3,064	3,413	37362	39341	1979	
Bed Occupancy	95.2%	95.5%	95.1%	93.2%	95.0%	95.7%	96.3%	97.2%	96.0%	96.2%	95.3%	95.6%	95.2%	95.5%	0.3%	
Average LOS (Excl LOS 0)	9.3	10.0	9.29	9.31	8.91	8.74	8.97	8.86	9.16	9.64	9.59	9.40	9.2	9.3	0.1	
> 7 day LOS Patients	1064	1038	1002	948	961	972	977	1023	1040	1082	1080	1064	970	1021	51	
>21 day LOS Patients	496	475	439	435	407	447	422	448	464	487	483	490	421	458	37	
Ave. MRD per day	294	290	291	272	251	264	260	304	288	324	325	328	310	291	-19	

Trust performance for the year was 69.9%, below the National target of 76%, which was 2.3% below the National average, albeit this is a 6.6% improvement from the Trust’s performance in the preceding year.

The Trust has continued its programme of work to improve performance through the application of its improvement methodologies and had instigated clinical pathway improvements throughout the patient emergency pathway utilising insights for the national emergency care intensive support team. The Trust is continuing to focus its improvement work to reduce patients Length of Stay and expedite earlier discharges to free up beds for A&E demand to reduce delays within the department.

Additionally, the Trust has continued to engage, and co-ordinate aligned resilience plans in the wider Local Health Economy, through the Sussex ICB, and wider regional acute partners for escalation to target reducing long staying patients, to free up bed capacity and enhance patient flow. Despite this, patients staying more than 21 days increased by 37 beds in 2023/24 compared to 2022/23. Continued focus to expedite discharge to a more appropriate setting for patients who are medically ready to be discharged will contribute to improving flow for patients who require acute care.

**Referral To Treatment (RTT)**  
table showing RTT performance

Constitutional Standards	Mar-24													22/23 YTD	23/24 YTD	Var	Trend	
	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24					
<b>RTT Elective Care</b>																		
RTT 18 Week Performance	46.76%	44.93%	46.78%	46.06%	45.74%	44.33%	42.51%	42.89%	43.60%	42.42%	43.00%	42.86%	41.45%	46.76%	41.4%	-5%		
RTT 18 Week Performance National	58.6%	58.3%	59.5%	59.2%	58.6%	58.0%	57.5%	58.2%	58.3%	56.6%	57.0%	57.6%		58.5%	58.1%	-0.4%		
Waiting List Size	128,876	131,878	138,883	145,340	152,153	154,144	155,092	152,020	145,670	143,843	142,483	141,662	141,173	128,876	141,173	12297		
>= 52 Weeks	10,497	11,539	12,770	13,937	15,132	16,265	16,922	16,379	14,441	13,673	13,790	14,218	15,824	10,497	15,824	5327		
>65 Weeks	2,804	3,175	3,424	3,796	4,105	5,103	5,664	5,495	4,594	4,566	4,434	4,067	3,658	2,804	3,658	854		
>78 Weeks	257	395	397	331	346	446	669	657	660	672	774	662	326	257	326	69		
>104 Weeks	18	19	13	5	3	0	0	0	3	4	3	4	0	18	0	-18		
Clock Starts	20,827	16,382	19,743	21,692	21,653	21,872	20,846	22,780	23,171	17,134	22,569	21,509	19,451	268,697	248,802	-19895		
Clock Stops	20,325	15,321	21,330	19,348	17,906	19,361	20,542	23,996	28,246	18,437	22,930	21,460	18,427	235,737	247,304	11567		

The Trust’s under 18-week RTT performance has declined across the year with a reported performance of 41.4% March 2023. This was 5% lower than March 2023, and 16% below the national average position. The Trust has again this year seen an increase in two week and urgent referrals and has been focussing energy with constrained capacity towards reducing longest waits.

The Trust has maintained a focus on treating the very long waits (those waiting over 88 weeks) in 2023/24 despite significant emergency, urgent elective related pressure (in terms of demand and staff and patient restricted availability). The Trust also lost elective capacity as a result of industrial action throughout 2023/4. The combination of these factors saw a marginal increase in over 78 week waiters from 257 March 2023, to 329 March 2024. The Trust

is continuing to target long waiters in 2024/25 with plans to reduce patients waiting over 65 week to zero by September 2024.

### Waiting List Size growth

- The Trust saw a 10% increase in its elective RTT waiting list size in 2023/24 to 141,173 waiters March-23. This is due to an imbalance in patient demand and available capacity, compounded by additional constraints relating to emergency pressures, and industrial action.
- The Trust has plans to tackle this by increasing capacity to 109% of 2019/20 activity levels in 2024/25. This to be achieved by:-
  - increased productivity for theatre and outpatient utilisation rates and reduction of DNAs (patients who do not attend) as part of the Trust’s productivity and efficiency programme.
  - Outpatient transformation of pathways, including increased patient initiated follow ups
  - Increased use of Community Diagnostic Centres in Southlands Hospital and Falmer.
  - Increased use of Independent Sector capacity

### Cancer 62-day Performance table showing cancer performance

Constitutional Standards	Mar-24													22/23 YTD	23/24 YTD	Var	Trend
	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24				
<b>Cancer</b>																	
62 Day Performance (following ZWR Refe)	64.0%	57.8%	55.3%	50.5%	57.6%	58.8%	54.6%	52.8%	51.3%	56.2%	53.4%	55.6%		55.6%	54.9%	-0.7%	
62 Day Performance (National)	67.5%	64.9%	62.7%	63.1%	65.6%	65.9%	63.5%	63.1%	65.2%	65.9%	62.3%	63.9%		64.6%	64.2%	-0.4%	
FDS 28 day Performance	73.2%	71.9%	69.5%	70.99%	72.39%	56.64%	51.43%	58.81%	64.16%	67.86%	63.34%	73.16%		66.9%	65.5%	-1.4%	
FDS National	71.6%	71.3%	71.3%	73.5%	74.1%	71.6%	69.7%	71.1%	71.9%	74.2%	70.9%	78.1%		70.1%	72.5%	2.5%	
>62 Day prospective waits*	325	479	466	487	472	650	842	789	740	624	496	360	329	325	329	4	
>104 Day prospective waits*	95	98	88	95	92	131	153	199	195	166	138	117	72	95	72	-23	
2ww	87.5%	76.6%	79.6%	64.86%	66.14%	51.25%	43.52%	58.92%	62.84%	71.99%	69.52%	74.12%		71.66%	65.4%	-6.3%	
31 Day - First	92.6%	84.5%	85.1%	85.10%	84.86%	87.08%	79.89%	79.75%	79.94%	81.80%	76.35%	78.85%		90.63%	82.1%	-8.5%	

Cancer 62-day performance was 54.9% (to February 2024) compared to 55.6% the preceding year.

Over 62 Day prospective waits fell from 842 September 2023 to 329 March 2024, exceeding the annual target set by NHS England (to be lower than 351 by March 2024).

The Trust achieved 73.2% February 2024 for the Faster Day 28 Day Standard.

A continued focus on improving the waiting times for diagnostics, in a safe environment, and optimised pathways will contribute to the improvement in this standard.

**Diagnostic 6-week waiters**  
table showing diagnostic performance

Constitutional Standards														Mar-24			
	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	22/23 YTD	23/24 YTD	Var	Trend
<b>Diagnostics</b>																	
6 Week Performance UHS	22.3%	26.1%	23.9%	25.0%	27.7%	35.8%	35.4%	31.5%	30.2%	33.2%	34.1%	29.7%	30.0%	22.3%	30.0%	7.7%	
6 Week Performance England	25.0%	27.6%	25.9%	25.2%	25.5%	27.5%	26.3%	24.7%	23.3%	26.8%	26.2%	20.8%		25.1%	20.8%	-4.3%	
6 week backlog	4,591	5,325	4,946	5,268	6,272	8,453	8,566	7,282	6,387	6,884	7,265	6,481	6,537	4591	6537	1946	
Waiting List size	20,629	20,406	20,729	21,091	22,447	23,637	24,191	23,064	21,176	20,707	21,320	21,844	21,801	20629	21801	1172	
Activity	35,011	33,767	31,260	32,544	32,367	32,809	34,481	37,171	39,831	31,946	36,330	35,155	36,126	407094	413787	6693	

Trust performance for patients waiting more than 6 weeks for a diagnostic test deteriorated in 2023/24 from 22.3% March-23 to 30% March 2024. This is 9.2% lower than the National average of 20.8% February 2024. There have been particular challenges with imaging and endoscopy modalities with increases in 6 week waits in these modalities in year.

The Trust observed significant capacity pressures in echocardiography in year due to staff vacancies and demand pressures but has seen significant backlog reduction the second half of the year, following additional recruitment. The Trust undertook 6693 more tests than in 2022/23.

The waiting list for diagnostic tests grew by 1172 (5.7%) from March 2023 to March 2024, which means that demand outstripped the increase in activity undertaken.

The Trust is continuing to work closely with most challenged modalities in 2024/25 to improve performance to operating framework aims of <5% by March 2024. This is supported with system plans to further develop community diagnostic centres which will provide additional capacity to meet demand for our catchment population.

**Improving Data Quality**

The Trust has continued to develop its performance reporting suite to enable near real time reporting and provide greater visibility to empirically support decision making and provide greater systematic rigour supporting our drive for enhanced data accuracy. This has been supplemented by re-introduction of kite mark measures to provide further data quality assurance.

**1.3.6 Quality (Safe Care)**

Quality Performance is reported to the Board through the Patient and Quality Committee through a maturing Quality Scorecard summarised overleaf.

Summary extract from quality performance scorecard

UHSussex Quality Scorecard		Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	YTD Actual	Target	Trend
<b>CLINICAL OUTCOME &amp; EFFECTIVENESS</b>																	
104	TN Summary Hospital-level Mortality Indicator (SHMI) (rolling 12M)	109.3	109.2	108.1	108.1	106.6	106.1	106.4	105.4	106.5	104.9	lag	lag	lag	104.9	100	
<b>PATIENT SAFETY</b>																	
<b>Clinical Incidents</b>																	
502	NEVER events	0	0	0	0	1	1	0	0	1	0	1	0	0	4	0	
504	Incident Rate per 1000 bed days)	44.46	43.74	43.31	45.02	46.61	50.15	49.91	53.65	52.41	51.90	48.34	53.50	46.67	48.77	60-80	
<b>Falls</b>																	
513	Falls resulting in harm	117	90	106	134	104	107	93	100	127	89	107	76	83	1216	1160	
<b>Pressure Ulcers</b>																	
515	BD Grade 2+ pressure ulcers	88	118	101	111	107	103	120	114	124	139	166	135	129	1467	1339	
<b>Safer staffing</b>																	
518	Safer Staffing: Average fill rate - registered nurses/ midwives (day shifts)	86.1%	87.6%	88.4%	87.1%	81.6%	81.6%	82.7%	81.7%	83.5%	82.2%	81.5%	83.9%	82.2%	83.6%	85.3%	
519	Safer Staffing: Average fill rate - registered nurses/ midwives (night shifts)	87.3%	87.9%	90.1%	87.4%	81.7%	82.0%	83.2%	84.0%	86.7%	84.5%	85.1%	80.1%	85.4%	85.5%	87.1%	
<b>IPC (infection prevention and control)</b>																	
<b>Healthcare acquired infections</b>																	
524	Number of hospital attributable MRSA cases (HOHA/COHA)	0	0	2	1	1	1	0	0	0	0	0	0	0	5	0	
525	Number of hospital attributable Cdiff cases (HOHA/COHA)	10	5	7	8	10	10	14	17	13	16	15	9		124	141	
526	Number of hospital attributable MSSA bacteraemia cases (HOHA/COHA)	3	3	11	6	9	9	5	7	7	9	8	8		82		
527	Number of hospital attributable E.coli cases (HOHA/COHA)	23	18	17	20	25	23	15	17	12	25	20	20		212	150	
528	Number of hospital attributable Pseudomonas cases (HOHA/COHA)	0	1	1	2	5	4	7	6	4	4	1	2		37	36	
529	Number of hospital attributable Klebsiella species cases (HOHA/COHA)	3	6	8	8	11	8	12	11	6	8	9	4		91	51	
530	Surgical Site Infection Surveillance compliance	67%		57%		71%				lag			lag		64%	variable	
<b>PATIENT EXPERIENCE</b>																	
<b>Friends and Family Test</b>																	
X01	TN 90% or more of patients rating FFT surveys as Very Good or Good	90.0%	90.6%	89.5%	90.9%	90.8%	90.7%	89.9%	90.2%	90.5%	89.4%	90.3%	88.3%	87.5%	90.0%	90%	

Note that the national mortality data issued to March 2024 only covers the period to January 2024

**Mortality**

Mortality in UHSussex is monitored through the use of standardised mortality rates and the calculation of a crude mortality rate for the Trust.

Standardised or risk-adjusted mortality rates are calculated by comparing the number of deaths expected in a particular hospital with how many patients actually died. Two risk adjusted methodologies are used in this process; the first is the Hospital Standardised Mortality Ratio (HSMR).

The HSMR is a ratio of the observed number of in-hospital deaths at the end of an inpatient admission to the expected number of in-hospital deaths (multiplied by 100) for all patients that are coded to one of 56 diagnostic groups. This cohort of patients accounts for approximately 80% of all hospital deaths. The expected number of deaths is calculated from logistic regression models that adjusts for case mix and the different characteristics of the patients being treated such as the patient’s age, sex, deprivation, co-morbidities, admission method, source of admission and the presence of palliative care coding.

The other standardised mortality ratio that the Trust utilises is the Summary Hospital-level Mortality Indicator (SHMI). The SHMI is calculated in a similar way to HSMR with two key differences in that it includes all hospital inpatients and deaths within 30 days of discharge. The most recent SHMI data covers the period January 2023 to December 2023.

The calculation of HSMR and SHMI is undertaken by an external company, Healthcare Evaluation Data (HED) who provide the Trust with an online benchmarking database developed by University Hospitals Birmingham NHS Foundation Trust.

During 2023/24 some of the 142 SHMI diagnosis groups have been alerting with higher mortality than predicted, when this occurs it is treated like an early warning signal and a full review commences. Over this period the following clinical conditions have been subject to a mortality review:

- Fluid and electrolyte disorders
- Cancer of Oesophagus
- COPD mortality
- Fractured neck of femur at Worthing
- Impact on crude mortality of waiting times in ED
- Congestive heart failure

For each of these areas detailed work has been undertaken to learn from these alerts.

### **Incidents**

The Trust's records all reported incidents on its Datix system. Incidents recorded range from near misses, low, moderate severe harm and death.

Incidents that are deemed serious incidents or never events undergo an enhanced investigation, which involves root cause analysis (a systematic investigation that looks beyond the people concerned to understand underlying causes and environmental context in which the incident happened).

The Trust reported 72 Serious Incidents from April 2023 to December 2023\* via StEIS (Strategic Executive Information System - supports the monitoring of investigations between NHS providers and commissioners).

*\*note at this date the Trust along with other nationally moved to the Patient Safety Incident Response Framework.*

### **Falls**

A reduction in falls is one of the Trust's Harm Breakthrough objectives.

The Trust monitors its fall rate weekly, and the Divisions receive details regarding the numbers and levels of harm. Each fall with moderate or above harm is reported via Datix and reviewed by the Patient Safety Incident Review Group (PSIRG) to ensure accurate grading and to advise on the level of investigation required.

Falls data and learning from After-Action Reviews (AAR) are reviewed at the monthly Harm Free Care Group, a multidisciplinary group with Divisional representation.

Despite a sustained increase in escalation beds, monthly falls across the Trust have reduced by nine (9) per cent. The Trust has an ongoing fall reduction programme focusing on core interventions, such as the introduction of rapid review forms and fall huddles and the implementation of audit tools,

power business intelligence, and DatixIQ to understand actual and potential improvement opportunities. This is supported by PFIS improvement teams and methodology and the harm-free care Nurse specialists, who maintain a strong focus on harm reduction.

***Improvements achieved.***

- The head of nursing for Harm Free Care was appointed.
- Harm-free care Nurse Specialists are working across all sites.
- The harm-free care group meets monthly to review incidents and ensure learning is cascaded across the organisation.
- Review of Trust-wide falls policy
- Review of Fundamentals of care clinical standards and audit tools
- Development of a harm-free care digital dashboard (phase 1)
- Patient track standardised across the Trust for falls.

***Further Improvements identified for 2024/25***

- Implementation of the Fundamental Standards of Care Strategy
- Development of a harm-free care digital dashboard (phases 2 and 3)
- Review of Falls improvement methodology and risk assessment
- Introduction of thematic learning from falls with a new DatixIQ reporting system.
- To launch a Multidisciplinary Approach to After-Action Reviews
- Harm free care training is to be included in the annual mandatory clinical update.
- Continuing to increase the number of harm-free care champions across our hospitals.
- To bring a focus on Baywatch and co-horting patients at risk of falls.

**Pressure Damage**

Reducing Hospital-acquired Pressure Damage is one of the Trust's Harm Breakthrough objectives.

All pressure ulcers acquired while a patient is admitted are reported via the Trust's incident reporting system (DatixIQ). The Patient Safety Incident Review Group (PSIRG) reviews those grades three and above, and an after-action review is conducted to ascertain what can be learned to prevent reoccurrence.

Divisions receive weekly pressure damage reports, presented monthly at the Harm Free Care Group for discussion and learning.

The Tissue Viability team have worked closely with the ward teams to provide education and advice on prevention strategies that have added to an overall reduction of hospital-acquired pressure damage over the last year. Moisture-associated skin damage and deep tissue injuries remain an area of focus for 2024/2025.

To avoid site differences in the tool used, a standard approach to assessing a patient's risk of developing pressure damage is being introduced on an electronic platform across all our hospitals.

***Improvements achieved.***

- The head of nursing for Harm Free Care was appointed.
- Harm-free care nurse specialists work across all sites.
- Review of all fundamental standards of care clinical policies and audit tools
- Development of a harm-free care digital dashboard (phase 1)
- The harm-free care group meets monthly to review incidents and ensure learning is cascaded across the organisation.
- Participated in the Pressure Damage CQUIN for 2023/24 to monitor pressure damage risk assessing and care planning.

***Further improvements identified for 2024/25.***

- Implementation of the Fundamental Standards of Care Strategy
- Development of a harm-free care digital dashboard (phases 2 and 3)
- Review of pressure damage improvement methodology and risk assessment
- Introduction of thematic learning from pressure damage with a new DatixIQ reporting system.
- Multidisciplinary Approach to After-Action Reviews
- Harm free care training to be included in the annual mandatory clinical update.
- Continuing to increase the number of harm-free care champions across our hospitals.

**Safer Staffing**

We continue to record safer staffing and use the Care Hours per Patient Day (CHPPD) metric via a monthly unify report. Safer Care as part of Allocate was introduced in 2023/24 across UHSussex and is supported by daily staffing huddles to safely deploy staff in response to higher acuity and patient needs. The fill rate for registrants averages 82.3% during the day and 84.6% at night; a reduction of approx. 5% during the day and 3% at night was observed after the merge of the health roster systems to one Trust wide roster, and this has been consistent since July 23. The Deputy Chief Nurse (DCN) for Workforce recently undertook establishment and roster reviews aligning staff deployment to budgeted whole time equivalent (WTE). As part of this review, available shifts were aligned to the roster and should enable more accurate reporting moving forward. In May 2024, the DCN will lead a Trust-wide Safer Nursing Care Tool peer audit as per best practice to assess the accuracy of reporting of acuity and dependency and triangulate with the CHPPD fill rate.

The latest national data on nursing vacancies in England indicates a total vacancy rate of 11.8%. Within UHSussex, our current vacancy count is 13.04% for Band 5 nurses. Notably, there has been a significant focus on domestic recruitment during the 2023/2024. In Quarters 3 & 4 for 2023/24, recruitment efforts resulted in 217 offers, out of which 163 are prospective

students set to join our organisation by October 2024. Our proactive recruitment strategies have effectively secured newly qualified nurses from universities across England. Additionally, throughout the year, we have continued to welcome international registered nurses, contributing to 96 new international recruits. Furthermore, we have welcomed 24 registered nurse associates during the 2023/2024 period. This year has also seen a continued focus on HCSW recruitment and the current vacancy rate at 7.7% from 14.12%, with many hospitals now having a waiting list to join it.

Midwifery is the first division to roll out our new strategy regarding offering all third-year students a conditional offer subject to checks. This has filled all vacancies in St. Richard's and Worthing hospitals and nearly filled Brighton and Haywards Heath. Brighton site has seen a notable vacancy improvement this year, and more recruitment days are planned over the year. However, high parental and sick leave impacts Brighton and Worthing fill rates. Throughout the Trust, workforce initiatives have facilitated the increased staffing of maternity units by reallocating registered nurses (one per shift), thereby allowing midwives to focus on specialised areas of Care unique to their expertise. Maternity services are beginning a pilot of self-rostering within the midwifery and support worker teams; in other organisations, this has resulted in lower sickness rates.

With retention rates holding steady at 6.41% for Registered nursing staff and 7.84% for Healthcare Support Workers (HCSWs), the focus is on nurturing a culture of longevity and fulfilment. One innovative approach involves empowering Band 5 employees through rotational opportunities across various departments within the Trust. This broadens their skill set and fosters a deeper understanding of the organisation's holistic functioning, instilling a sense of belonging and purpose. The goal is to roll out this program to HCSWs so we can build on the talent and develop a flexible and sustainable workforce. Increased collaboration with our widening participation team ensures we are fulfilling our true north of having a diverse and inclusive workforce.

The Nursing, Midwifery and Allied Health Professional education teams provide educational pathways that complement career development throughout the organisation. This ensures that our clinical staff can access education and apprenticeships to take them from Health Care Support Workers through to a Registered Nurse, Midwife or Allied Health Professional and beyond into continuing professional development and advanced roles. The team also provide bespoke education in response to practice needs and learning from incidents. This team provide a suite of in-house academic and non-academic modules to ensure that staff have the skills and knowledge to provide excellent care.

Clinical education supports the Trust's retention work, with the foundation programme now in place for our Health Care Assistants and the preceptorship module for our new-to-register nurses, midwives, and allied health professionals. Both programmes support new recruits in their first year in practice, developing their professionalism, supporting their transition into new roles, and enhancing skills, knowledge, and behaviours.

## Infection prevention and Control (IP&C)

### Mandatory Surveillance data

Metrics for *C.difficile*, *E.coli*, *Pseudomonas aeruginosa*, *Klebsiella* species, MRSA and MSSA blood cultures are all reported to the national 'data capture system' (DCS) and are subject to specific targets.

All positive cases are assigned as follows:

- Hospital onset healthcare associated (HOHA): cases that are detected in the hospital two or more days after admission.
- Community onset healthcare associated (COHA): cases that occur in the community (or within two days of admission) when the patient has been an inpatient in the Trust reporting the case in the previous four weeks. Please note these cases include GP samples if the patient has had hospital contact.
- Community onset indeterminate association (COIA)
- Community onset community associated (COCA)

Noting that HOHA and COHA cases are deemed to be Trust attributable.

The Trust did not meet the required trajectories as shown in the table below;

Alert Organism	Annual threshold	Annual Total figures	Trajectory Status (End of year)
<i>Clostridioides difficile</i>	141	157	<b>+16</b>
<i>Escherichia coli</i>	150	226	<b>+76</b>
<i>Klebsiella spp.</i>	51	94	<b>+43</b>
<i>Pseudomonas aeruginosa</i>	36	41	<b>+5</b>
Meticillin Resistant <i>Staphylococcus aureus</i> (MRSA)	0	7	<b>+7</b>
Meticillin Sensitive <i>Staphylococcus aureus</i> (MSSA)	N/A	93	N/A

The year, 2023/24, has again been challenging however significant progress was made in some of the key objectives established for the year these include:

- The IPC team now being fully resourced with the addition of an epidemiologist. This post is invaluable in helping better understanding and management of data, allowing us to direct IPC efforts where they are most needed.
- The launch of IPC link Champion programme in March saw good representation across all sites. A planned educational programme is set for delivery across the coming year.

- Refinements continue to be made to the new PowerBI system for clinical review of cases which has been developed with input from the business intelligence team. The system using PowerApps technology will facilitate easier data collection and analysis, along with automated data upload, including.
  - Auditing via the electronic 'Tendable' platform has now commenced across St Richards and Worthing allowing more consistent auditing across the Trust. Audits include hand hygiene, commodes and environmental checks.
- Surgical site surveillance has been established across the Trust. Surveillance has been undertaken in orthopaedics, breast surgery, and cardiac surgery. There has been a rise in surgical site infection related to cardiac surgery. This is the subject of intensive work with the divisional team to effect improvement.
- Supporting the commissioning of Louisa Martindale Building and significant input into other building projects.
- Ventilation requires further assessment and improvement across all Trust sites. Mitigations are in place and the new Louisa Martindale Building will bring a big improvement in ventilation standards.

The Trust has developed a series of improvement actions which will be delivered across 2024/24.

### **Patient Experience**

The Trust receives approximately 10,000 – 19,000 friends and family test (FFT) survey responses each month. The percentage of respondents rating their care as good or very good averaged 90% throughout the year which is an increase on 2022/23, despite an overall downward trajectory throughout the year. Outpatient, maternity and emergency care performance remained in line with national averages and inpatient performance below this average. FFT data and patient voice is available by division, site, clinical area and specialty and enables the experience of patients to inform how services improve.

The FFT feedback from patients demonstrates consistent themes relating to patient experience being negatively impacted by longer waits and staff behaviours but with more positive feedback about the staff and quality of care just one example is given below.

*'Staff were fantastic considering the pressure they were under. Did everything in their best ability and were very helpful, friendly and caring.'*  
Patient, March 2024

These themes are also reflected in feedback obtained from patients' complaints, with approximately 120 new formal concerns raised each month, via PALS and from national patient surveys. Other prevalent causes of concern include clinical treatment, discharge and end of life care, all of which have been subject to improvement work in 2023/24. The 'Welcome

Standards’ programme focused on improving the experience of greeting and entrance to the Trust has continued its implemented in year, with measurable improvements in patient reported experience.

A particular priority for improvements based on patient feedback is inpatient experience, and a new programme focused on improving fundamental standards of care has initiated to drive quality improvements. The fundamental standards of care work is part of the Trust’s ‘Quality and Safety Improvement Programme’ (QSIP). This programme will further the implementation of the patient experience strategy through 2024/25 with a focus on improvement informed by patient experience and other quality insights, such as those from incidents and patient outcome data, ensuring that standards of quality and safety are met.

Further information on quality performance can be found in sections 1.3.14 - 1.3.16 of this report and within the Trust’s Quality Account which can be found on the Trust’s website.

### 1.3.7 Workforce

Workforce performance is reported to the Board through the People Committee supported by a high-level people scorecard. A summary of this is provided below.

Summary extract from people performance scorecard

People Committee Scorecard - UHSx														March 2024	
Key Performance Indicator		Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Trend
Efficiency	True North - Engagement	7.1	7.0	7.1	7.1	6.9	6.9	7.0	6.9	6.9	6.7	6.8	7.1	7.3	
	Breakthrough - If I spoke up about something that concerned me	58.23%	59.75%	58.39%	57.17%	55.42%	53.79%	54.53%	52.68%	57.68%	50.88%	56.22%	54.46%	60.29%	
	Absence - Sickness (12 month)	5.31%	5.37%	5.31%	5.16%	4.98%	4.86%	5.07%	5.04%	4.85%	4.83%	4.92%	5.08%		
	Turnover - Trust (12 month)	9.53%	9.39%	9.21%	9.01%	8.96%	8.84%	8.76%	8.67%	8.53%	8.40%	7.81%	7.77%	7.53%	
Stability %	Stability %	85.65%	86.01%	86.33%	86.60%	86.74%	87.05%	87.20%	87.64%	87.96%	88.03%	88.45%	88.04%	88.06%	
	% of appraisals up to date All Staff (AFC Staff and Consultants Only)	78.53%	77.39%	71.82%	70.69%	76.19%	78.20%	80.42%	81.37%	81.25%	81.94%	81.49%	80.25%	80.13%	
Training & Dev't	STAM Weighted Average	88.69%	87.74%	86.70%	87.30%	87.57%	88.58%	88.27%	88.88%	88.83%	89.12%	89.19%	89.38%	89.54%	
	Capacity														
Capacity	Starters	209	226	226	175	188	550	297	289	195	143	192	204	142	
	Leavers	145	119	93	108	125	187	153	116	99	94	98	90	97	

### Engagement

Improving staff engagement is the strategic objective for the People domain of Patient First and our long-term objective is to achieve a staff engagement score that places the Trust in the top quartile of acute Trusts. It is recognised that high levels of staff engagement are linked to improved safety and productivity supporting high quality patient care and sustainable services.

Staff engagement, whilst measured annually through the national NHS staff survey, the Trust also monitors engagement monthly through a ‘pulse survey’ and has seen slight overall improvement in 2023/24 noting there have been some monthly fluctuations.

The willingness of staff to raise issues confident that something will be done about it has also improved over the year. This has been supported by the new Freedom to Speak Up Guardian arrangements and work to publicise the ways in which staff can raise issues and developing expectations around how leaders and managers respond and provide feedback to staff on those issues. The Trust will continue work on this in 2024/25.

Staff engagement, as measured through the annual NHS staff survey, was 6.6 (out of 10) in 2023 (an improvement from 6.5 (out of 10) in 2022).

### **Sickness Absence**

Sickness absence has continued to be monitored and managed throughout the year. Sickness rates are reported monthly as a percentage of absence in month and as a 12-month rolling rate. This highlights the seasonal fluctuations that occur month on month but also whether improvement is being made.

At the start of 2023/24 the 12-month sickness absence rolling rate had increased to 5.92% in March 2023. As at January 2024, the 12 month sickness absence rate had reduced to 4.92%. The percentage of short-term absence is 2.64% whilst long term absence is 1.97% (January 2024).

The HR Employee Relations team supports the management of short and long-term sickness, with proactive support to managers and individual support for staff to return to work. During this year over 500 supervisors and managers have received training in absence management. Preventing ill health remains a priority in 2024/25. There is work focused across 'hotspot' areas to continually improve sickness and support that can be offered to staff.

The Trust's sickness absence data can be found on NHS Digital's publication series on NHS Sickness Absence Rates. This can be found at [NHS Sickness Absence Rates - NHS Digital](#)

### **Turnover**

Staff turnover has reduced over the last 12 months from 9.39% to 7.71%, this remains below the Trust target of 12%, with all staff groups having seen a reduction.

The Nursing & Midwifery Working Group continue to develop induction and support for Health Care Assistants (HCAs) including career coaching, as well as reviewing the career pathway and differences between Band 2 and 3 being reviewed and defined. Rotational programmes are being developed for Registered Nurses (RNs) and HCAs, as well as structured foundation programmes being created for Healthcare Support Workers. There has been a review and update of the Trust Exit Questionnaire, which now provides further detail on reasons for leaving allowing action to be taken where possible to prevent further leavers.

## Training and Appraisals

The Trust Appraisal rate (non-medical staff) fell slightly in March to 80.9% but remained up on recorded rate of 77.6% last year. Across the latter seven months of the year rates have remained above 80% which was an achievement given the level of operational pressures and the impact of industrial action during the year.

The Trust's Statutory and Mandatory training compliance rate continues to perform strongly, with a year end rate of 89.5%, and rates of over 88% in each of the last eight months of the year.

See the staff report at section 2.3 for further information in respect of staff engagement, sickness, staff turnover, wellbeing, learning and development.

### 1.3.8 Financial Performance

The key highlights for the Trust's financial performance for the financial period ended 31 March 2024 were:

- Against a challenging operating environment, the Trust reported a deficit of £14.95m, consistent with the agreed financial position with the Sussex Integrated Care Board.
- Cost improvement programme savings of £52.87m.
- Expenditure on capital schemes of £85.53m, of which £11.78m was on the 3Ts new hospital development and £72.39m was on operational capital schemes including medical equipment, service developments and estates backlog maintenance. The capital programme was supported by the Trust's dedicated hospital charity, My University Hospitals Sussex Charitable fund, as well as our partner charities, including the League of Friends.

The Trust saved £52.87m by streamlining processes, improving productivity, smarter procurement and reducing waste.

As at the end of March 2024, the Trust is reporting a deficit of £14.95m after adjustment for impairments and donated assets as summarised in the table below.

<b>Adjusted financial performance (control total basis):</b>	<b>2023/24 £'000</b>
Deficit for the period	(177,738)
Remove impact of consolidating NHS charitable fund	2,830
Remove net impairments not scoring to the Departmental expenditure limit	163,038
Remove I&E impact of capital grants and donations	(1,576)
Remove actual IFRIC 12 scheme finance costs	3,197
Add back forecast IFRIC 12 scheme interest on an IAS 17 basis	(1,195)
Add back forecast IFRIC 12 scheme contingent rent on an IAS 17 basis	(2,903)
Remove PDC dividend benefit arising from PFI remeasurement	(605)
<b>Adjusted financial performance (deficit) for the purpose of system achievement</b>	<b>(14,952)</b>

## Long-term liabilities

The affordability of long-term loans is considered by the Trust Board prior to approval. The increase is attributed to the continued implementation of IFRS 16 from 1 April 2022 recognising Right of Use assets. For 2023-24 the accounting standard brings onto the balance sheet the exposure of the Trust adjustment to the liability of the Public Finance Initiative agreements previously accounted for as under IAS 17. Further information on the Trust's long-term borrowings is available within Note 33 to the accounts.

## Financial outlook

The Trust has submitted a deficit plan of £26.60m for 2024/25 to NHS England on 12 June 2024, which has been agreed with the Sussex ICB. Included within this plan is an efficiency requirement of £82.50m. The plan includes funding for pay awards pending confirmation of the final settlement. Funding for Elective Services Recovery (ERF) is earned by delivering above 100% of the 2019/20 activity baseline.

## Summary

From a financial perspective 2023-24 was a challenging year with the Trust achieving its True North objective of 'delivering high quality healthcare in a sustainable way' by achieving the agreed deficit for the year.

## Going concern

The annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

After making enquiries, the Directors have a reasonable expectation that the services provided by the NHS foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

As at 1 April 2024, Brighton and Sussex University Hospitals NHS Charitable Fund and Western Sussex Hospitals Charity, which operates as Love Your Hospital Charity merged to form My University Hospitals Charity. The future cashflow projection of the Charity provides the corporate Trustee with a reasonable expectation that the charitable activity will continue for the foreseeable future. For this reason, the corporate Trustee has adopted the going concern basis in preparing the accounts.

Pharm@Sea Limited has remained operational throughout the year. The financial year 2023/24 has seen the volume of patients and prescriptions

increase week on week. This remains closely monitored and supply chains planned accordingly. The company has been profitable throughout the year. The Board of Directors have a reasonable expectation that the services provided by the company will continue to be provided for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

### **Other financial information**

Accounting policies for pensions and other retirement benefits are set out in Note 1.6 Employee Benefits.

Details of senior employees' remuneration can be found within the Remuneration Report, at section 2.4.

There have been **no** Post balance sheet events.

The Trust spent **£Nil** on external consultancy services in 2023/24.

Note 44 to the accounts sets out, in relation to the financial instruments, an indication of the financial risk management objectives and policies of the Trust and the exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk, where material for the assessment of the assets, liabilities, financial position and results of the Trust.

### **1.3.9 Efficiency programme delivery**

Quality-led improvement is a key priority for University Hospitals Sussex, supporting the NHS Long Term Plan to develop workforce, technology and innovation-led efficiencies. Improvements to patient experience, including safety and effectiveness, mean we can deliver consistent high-quality care in more cost-effective ways, improving the flow of patients through our hospitals.

The Trust efficiency requirement was significantly larger than in previous years, with a target to deliver £62m in cost reductions. Overall, the Trust delivered £52.87m against this plan.

This included £31.7m pay savings, £18.3m non-pay savings and £2.8m Income improvement.

The largest delivery challenges related to achievement of bed de-escalation across the organisation, medical premium pay spend, underperformance with a variety of nursing schemes including the ED corridor exit and RMN agency savings schemes, underperformance on patient transport cost reduction and under-delivery against a variety of procurement plans.

There was significant focus within the Trust to ensure costs relating to Covid-19 were removed and that elective activity levels continued to improve. The Trust delivered a wide range of cost improvements, with key successes across the divisions including:

- Cancer division - £483k SLA renegotiation benefit, and £244k savings related to repatriation of outsourced brachytherapy activity
- CSS division - £1m agency cost reduction in microbiology, and £632k reduction in PET-CT outsourcing costs
- Medicine Royal Sussex County and Princess Royal - £709k agency nursing cost reductions
- Medicine Worthing and St Richards - £1m endoscopy in-sourcing cost reductions, and £540k Registered Mental health Nurses (RMN) agency cost reductions
- Specialist division - £625k private patient and overseas patient income improvements
- Surgery Royal Sussex County and Princess Royal – £1.1m surgery insourcing costs reductions, £870k nursing agency spend reduction
- Surgery Worthing and St Richards - £800k surgical bed base reduction savings
- Facilities & Estates - £400k laundry savings

The Procurement team worked closely with Divisions to deliver cash-releasing non-pay savings of £4.3m, and a further £1.2m benefit from fixed price contracts.

During 2024/25, the Trust plans to deliver an Efficiency Programme of £75m. This year's plan will focus largely on cost reduction, which in turn will drive the restoration of 2019/20 productivity levels. There will be particular focus on the use of premium pay spend and addressing the key drivers of the increase in worked whole time equivalent over 2023/24 to achieve reductions in 2024/25.

The Trust will continue to focus on workforce diversification, developing skills across nursing and allied healthcare professions to streamline processes and mitigate the impact of medical workforce challenges.

The Trust will continue to develop opportunities arising from an increased scale of working at University Hospitals Sussex level, and aligning pathways, working practices and purchasing decisions across sites and specialties.

The Louisa Martindale building, part of the 3Ts Strategic Initiative, opened in June 2023 and the benefits associated with the new building, captured through associated business cases, have been incorporated into relevant efficiency plans. Other business cases approved in the last two years have also been reviewed to ensure that efficiency benefits are captured and reflected in this year's plan.

Increased income for additional activity may be an opportunity only if and when the 2019/20 level of activity and spend is secured and exceeded. This will be achieved through a focus on efficiency and utilisation of theatre and outpatient capacity as well as reducing insourcing and outsourcing costs incurred in 2023/24.

All schemes are subject to rigorous quality and safety checks to ensure quality standards are maintained or improved. Quality impact assessments for each

scheme are developed by staff working in the relevant areas and signed off by the division's clinical chief before implementation (a small number of schemes with higher risk scores will be further escalated to the Chief Medical Officer and Chief Nurse for review).

### **1.3.10 Our Capital Plan**

The planning and prioritisation that goes into agreeing the Trusts annual capital investment programme follows an extensive engagement process with clinical divisions and corporate Directorates. Development of the plan is overseen by the Executive led Capital Investment Group, which makes a recommendation to Trust Board for approval at the start of each financial year.

This year the capital plan represented a significant programme of investments in a wide range of areas including in our clinical priorities, major medical equipment, other medical devices, backlog maintenance in our hospital estate and implementation of our digital strategy as well as other IM&T infrastructure and systems upgrades. Working with our system partners at the ICB, we have ensured that major projects are earmarked and have taken place at all our hospital sites, with every clinical division and staff from across the Trust benefiting hugely from the investments made.

#### Lousia Martindale Building

The new Lousia Martindale Building is part of the government's 'New Hospital programme' and is the first of three phases to redevelop the Royal Sussex County hospital. This first and largest stage of the programme included the establishment of medical wards with a greater proportion of single rooms, expanded facilities for Critical Care and Neurosciences and facilities to support improved training and education.

On Monday 12 June 2023, the first patients were treated in our new Lousia Martindale Building, the first Stage of the 3T's programme. This historic milestone saw the newest clinical building in the NHS standing next to the oldest, the Barry Building – walking between the two buildings is a journey of 50 steps and 195 years. Throughout the month of June, dozens of departments took this journey through history as they transfer from the old Victorian architecture to state-of-the-art, new facilities. The impressive glass-fronted Welcome Space will be used by more than one million patients and visitors every year.

The second phase (Stage 2) will be built on the site of the Barry building and replace the current cancer centre building with a new state of the art Sussex Cancer Centre, incorporating the newest technology, designs and expanded radiotherapy, Outpatient and Daycase facilities. The final phase (Stage 3) will provide areas for materials management, waste management and a logistics centre for the hospital.

### Wider capital investments

By the end of 2023/24, three hundred and twenty-four (324) investments totalling just over £85.53m will have been successfully made. A significant achievement given the ongoing operational challenges.

The 2023/24 capital programme was divided into two elements. Strategic capital of £11.775m associated with demolition of the former Barry and other buildings at the Royal Sussex County Hospital and developing the plans for our new Cancer Centre. This, together with a new materials management and logistics yard, completes the 3T's programme which is a key element of the governments new hospital building initiative.

In addition, operational capital investments of circa £58.75m and NHSE funded projects of almost £15.0m have also been made. These investments include, but are not limited to:

- Phase 1 of a new community diagnostics centre (CDC) at Southlands hospital (£18m over 2-years);
- Phase 2 of the emergency department and acute floor redevelopment project at the Royal Sussex County Hospital (£48m over 4 years);
- A new Paediatric Audiology department at the Royal Alexander Childrens Hospital officially opened its door to patients on the 11th September 2023 (£3.0m);
- A new Urology Investigation and Treatment Centre at Princess Royal Hospital opened its doors to patients in October and has seen thousands of patients from across Sussex with urology conditions, from life-threatening cancers to benign diseases more quickly, and in fewer hospital visits (£8.0m);
- Investments in our digital strategy, including electronic patient records, and other IM&T infrastructure, equipment, and systems (£12.0m);
- Major medical equipment purchases including a new Bi-Plane suite for Louisa Martindale Building, three new CT scanners and a new SPECT CT for St Richards hospital;
- Replacement of more than 100 items of critical medical equipment and the final phase of replacement endoscopy scopes for Worthing hospital Endoscopy Unit (£7.5m);
- Backlog maintenance improvements in the Trusts estate has also been prioritised (£5.0m).

The Trusts own charity and partner charities have also made a significant contribution, funding 59 separate investments in medical equipment and small improvement works in staff facilities totalling £3.217m.

### 1.3.11 Environmental Sustainability

UHSussex is pleased to provide its 2023/2024 Environmental Sustainability Annual Statement, demonstrating our dedication to integrating sustainable practices into our daily operations. This report offers an overview of key activities and accomplishments of our primary direct emissions workstreams, showcasing the strides made in 2023/2024 while outlining our aspirations for 2024/2025.

At University Hospitals Sussex, we are committed to supporting the NHS become the world's first net zero health service.

Patient First, Planet First: Our Green Plan – approved by our Trust Board in January 2022 – outlines how we plan to deliver this ambition in our hospitals and where we work in Sussex.

Our Green Plan was developed in response to the climate crisis and sets out our commitment to reduce our NHS carbon footprint to Net Zero by 2040 (based on emissions we control). We have also committed to reduce our carbon footprint plus (carbon emissions we influence) to Net Zero by 2045. The plan covers the period from 2022 to 2025 and sets an interim target to reduce our direct footprint by 57% against a 2009/10 baseline.

In 2009/10 the UHSussex direct carbon footprint was 57,338 tonnes CO<sub>2</sub>e. In 2023/24 this had reduced to 37,276 tonnes CO<sub>2</sub>e. Our target for 2025/26 is to reduce this to 24,655 tonnes of CO<sub>2</sub>e.

Since we launched the plan, we have made great inroads to achieving our long-term goals, through the efforts of our 10 workstreams led by UHSussex colleagues. In 2023/2024, the Environmental Strategy identified projects to achieve an annual reduction of 1,620 tonnes of CO<sub>2</sub>e.

During 2023/2024 we established interim in-year targets for our primary workstreams to curtail our direct carbon emissions. These workstreams encompass Buildings and Utilities, Clinical, Reduce, Reuse, Recycle, and Travel and Transport. Notably, significant emission reductions were spearheaded by clinical teams, particularly in Nitrous Oxide usage. Meanwhile, Buildings and Utilities, Travel and Transport and Reduce, Reuse, Recycle have laid the groundwork for their trajectories towards 2025.

#### Task Force On Climate-Related Disclosures

NHS England's NHS foundation Trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not

required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24.

Delivery of the UHSussex Green Plan is the responsibility of the Environmental Sustainability Steering Group (ESSG), chaired by our executive sponsor for Net Zero, Our Chief Strategy Officer.

The primary purpose of the Steering Group is to ensure the delivery of the goals set down in “Delivering a ‘Net Zero’ NHS by 2040 by delivering the initial target of a 57% reduction in our direct carbon footprint by 2025. Our three aims are to:

- Reduce our environmental impact
- Improve wellbeing
- Invest in the future

The Steering Group reports to the Trust Management Board, and is responsible for ensuring that interdependencies, relationships, and resources are managed across all workstreams, and that alignment is maintained with wider Trust objectives.

Environmental Sustainability is a strategic initiative for UHSussex and quarterly reporting was undertaken into the Sustainability Committee, which is a sub-committee of the Trust Board. The report highlights progress in meeting the green plan targets, successes and challenges and highlights key risks to delivery of the carbon reduction targets.

Core duties of the Steering Group are:

Ensure there are clear deliverables for each workstream and effective mechanisms to hold Executive sponsors and Director SROs to account for the delivery of agreed outputs.

Ensure each workstream has an agreed work plan which reflects the required outputs for each workstream.

Establish robust reporting mechanisms including risk reporting and management in line with the Trust’s Risk Management Policy.

During 2023/2024 the ESSG met monthly and reported to board on progress, risks, key actions and performance monthly to the SDR and quarterly to the Sustainability Committee.

Additionally an environmental impact section is included in all business cases to ensure that climate change is considered at the decision making stage.

## Achievements and Progress



**Clinical:** developing and enabling lower carbon, more sustainable models of care and reducing the impacts of medicines.

Sustainability Clinical Fellow in medicine: Focusing on how the Trust will reduce its carbon footprint from inhalers whilst encouraging excellent care for our patients with respiratory conditions. Projects have included developing a pilot for the Stroke Ward at the Royal Sussex County Hospital in Brighton where we will review inhalers. In these reviews we aim to ensure patients are on the best inhaler for them and the environment. Working with clinicians in A&E to switch default inhaler prescribing from metered dose to dry powder inhalers (which have much lower carbon footprint) and developing educational materials and opportunities for training staff on how to assess inhaler technique and make environmentally friendly inhaler switches.

Sustainability Clinical Fellow in anaesthetics: Focusing on how the Trust will reduce its carbon footprint associated with anaesthetic gases. Projects have included continuing the shift away from the use of desflurane amongst our staff ensuring a usage of less than 2% of anaesthetic agents used. Raising awareness of the footprint associated with Nitrous Oxide usage and the Trust has seen more than a 50% reduction in its usage amassing to a 770 tonne CO<sub>2</sub>e reduction compared to last year. Spearheading a project that will see the manifold switch off for Nitrous Oxide in 2024.

Building on the success of our Gloves off campaign last year we formed the Clinical Equipment Working Group with colleagues from procurement, infection control, medicine, and sustainability focusing on high volume products which generate a significant volume of waste and have a high carbon footprint.

Projects for next year include:-

- The introduction of reusable suture kits
- The introduction of reusable holloware
- The introduction of reusable venous tourniquets
- Ongoing support and monitoring of gloves off campaign
- Pilot study for nitrile glove dispensers (anticipated reduction of 10-20%)

Departmental Green Groups formed by our Green Ambassadors continue to make positive local changes that have been recognised nationally.

- The HIV and sexual health and contraception green team won the Cathy Harman Award, which recognises and rewards innovation and service modernisation in the field of sexual health. The Green team won the award for their innovative and sustainability focused ideas.
- The Practice Development Education team for Children's Services was awarded the NHS South East Nursing and Midwifery Green Week

award for Clinical Leadership, Systems and Workforce. The award recognises the team's efforts to deliver a green education programme for NHS staff. The initiative took place over the course of five days at Arundel Wildfowl and Wetland Nature Reserve and aimed to improve knowledge to provide effective, safe and compassionate care to children and young people, who are being treated in hospital and have mental health concerns.

- Sussex Orthopaedic Treatment Centre (SOTC) were the joint recipient of the Sustainability Partnership of the Year award for their green study that cut carbon footprint, reduced costs, and saved time for more than 1,000 patients. The team were granted funding to pioneer the creation of a green digital pathway for elective orthopaedic surgery patients within the SOTC at the Princess Royal Hospital. The study resulted in 80% patient satisfaction, reduction of nearly 60,000 pages, 24,000 miles avoided and 7.6 tonnes CO<sub>2</sub>e.

The Clinical Workstream continue to provide ongoing education and upskilling of all clinical staff and Allied Health Professionals (AHPs) through regular themed engagement sessions seeking guest speakers where possible through bi-monthly Trust wide meetings.

In partnership with other Trusts from across the country we have established a Circular Economy Working Group aimed at sharing ideas, learnings and experiences as well as presenting a collaborative position on the importance of sustainable practices in the healthcare setting.



**Buildings and Utilities:** ensuring our workplaces are low carbon and protect local biodiversity whilst supporting wellbeing for staff, patients, and visitors.

UHSussex's estate covers 5 hospitals across the county and requires careful management of utilities to ensure minimal wastage of resources, cost and carbon. Efficient management of utilities not only helps towards lowering our carbon emissions, but also improves staff and patient experience and lowers costs. During the past year.

The Trust Board gave its approval for Worthing Hospital to connect to Worthing Heat Network, a scheme being developed by Worthing and Adur Council that when built will provide low carbon heating to buildings across town. The Trust were successful in a Public Sector Decarbonisation Scheme (PSDS) bid to help fund the enabling works required to the hospital to allow connection. Heat on is expected in 2025 and will deliver low carbon heat to our Worthing Hospital site achieving a carbon reduction of over 1000 tonnes per year.

The Estates team at Princess Royal Hospital were successful in a bid to NHS Forest for 50 trees to be planted on site.

Through funding obtained from the Low Carbon Skills fund (LCSF) we completed a Heat Decarbonisation Plan for the Royal Sussex County hospital site in Brighton. A HDP outlines strategies for how fossil fuel-based plant can be phased out and replaced by low carbon heating over time to support our Net Zero 2040 target.

Continued efforts of our estate's teams delivering against our planned programme of work includes a number of schemes which support our carbon reduction targets, including further roll out of LED lighting, control reviews, and end of life equipment replacements.

In the year ahead we are planning to:-

- Transpose the findings of the HDPs into a strategy for demand reduction and decarbonisation of our estate and utilise funding where available to deliver this.
- Produce a Trust wide renewable energy strategy exploring potential for Solar PV, small scale wind turbines to provide clean no carbon energy.
- Prepare Worthing Hospital for connection to the Worthing Heat Network.
- Continue to utilise the commitment of our Green Ambassadors and form a staff led behavioural change campaign.
- Work alongside estates and capital colleagues to ensure sustainable technologies are being incorporated into new developments, refurbishments and our capital plan and that benefits of schemes are being captured.



**Reduce, Reuse Recycle:** delivering against the waste hierarchy. Reuse Scheme – The Trust now has a process for unwanted furniture to be reused. These items are now catalogued to reuse across the organisation.

Waste Segregation - Focused training enables the Trust to be compliant in the storage and handling of waste to reduce offensive waste produced.

Composting Food Waste – New legislation requires food waste produced by Trusts to be composted as opposed to alternative disposal methods, a practice that was happening at PRH has now been rolled out Trust wide.

Procurement is underway for a Total Waste Management Contract, streamlining waste management across all our sites, ensuring increased recycling rates and achievement of NHS Target of 20/20/40.

Ongoing engagement with our Green Ambassadors to educate staff on waste management and ensure facilities are correct at a local level to ensure the most sustainable and appropriate waste disposal.

Supporting clinical colleagues on information regarding waste volumes for their projects in switching to reusables. And assisting with the facilitation of an operating procedures and facilities to introduce a mobility aid reuse scheme which will launch in 2024.



**Travel and Transport:** ensuring the travel and transport needed between our care and our communities is low cost, low carbon and conducive to good health and wellbeing.

EV chargers for staff and visitors are now installed and in use across all our sites and usage being monitored to help inform the EV charge point strategy going forward.

An application for charitable funding of £272,000 was approved by My University Hospitals Sussex Charity. The request for funding aligns to the Patient First, Our People domain as the initiative supports staff /patients in being able to make green travel decisions as part of their commute to work.

The cycle repair stations have been installed across Trust sites following the successful funding bid for cycle repair stations and maintenance training made through the “Launch of the Healthier Future Action Fund”.

We ran a Trust wide Green Travel Survey open to all staff which had an amazing response. The survey was designed to inform progress against our Travel Plan and garner views and attitudes in relation to the Green Travel services we provide to help inform how they are expanded and developed in the future.

A Trust wide Travel and Transport Strategy is being compiled aligning to the Greener NHS Net Zero Travel and Transport Strategy published in October. The Strategy will set out our road map and plan to Net Zero considering our own fleet, electric vehicle infrastructure, business as usual practices such as the courier service, as well as business travel and our staff’s commute.



**Staff Wellbeing and Engagement:** empowering and engaging our people to embrace change and help us achieve net zero.

Our communications team continue to support the delivery of our Green Plan through regularly sharing internal and external news stories about progress and successes. The communications team’s key objectives are to;

- Ensure colleagues are aware of the Patient First, Planet First Green Plan

- Support workstreams tell the story to key audiences and influence change.
- Ensure colleagues are aware of progress against the plan and how they can contribute.

### **1.3.12 Statement on equality and equity of access**

University Hospitals Sussex is committed to offering services that are equitable and provide equality of access. As part of this commitment the Trust within its service change and business case process undertakes a review on the equality and equity of access as part of the needs assessment and associated service configuration processes. The Trust has established a Health Inequalities Strategic Oversight Group (HISOG). This is integral to the delivery of our Integrated Care System's (ICS) CORE20 plus 5 programme which aims to reduce health inequalities. This programme works with those who are within the 20% most deprived of our national population and allows the ICS to target five additional patient groups who experience poorer health outcomes. As part of the work relating to the five additional patient groups, the Trust particularly focusses on health inequalities relating to maternity care, chronic respiratory disease and early cancer diagnosis.

Under the purview of HISOG, we are embarking on a programme of work to review equity of access by geographic and demographic profile of the Trust catchment populations, with the aim to build stronger and more collaborative strategies to address health inequalities.

Hearing and responding to the voice of our patients is integral to how we make improvements and pathway changes to our services. Patient feedback from a range of sources such as the Friends and Family Test, compliments and complaints provide a wealth of information that gives us insight into what is important to our patients. We draw on this when undertaking continuous improvement as well as engaging directly with key patient and stakeholders where this is indicated.

The plethora of patient surveys undertaken, including national patient surveys and friends and family test, provide insights into the priorities for local people, including those with protected characteristics which shape the Trust's work on inequalities.

Our lean improvement methodology provides a rigorous approach to capturing and acting on what matters to patients, staff and other stakeholders. It ensures that improvement starts from the customers' point of view and allows us to turn customer comments or feedback into measurable outcomes that we can then monitor to ensure that services are better for patients.

### **1.3.13 Health Equalities**

Health inequalities is an on-going focus for the Trust. Inequalities in health are the systematic, avoidable and unfair differences in health arising from multiple

factors including the social and economic environments in which we live and influenced by the decisions we make for ourselves and our families.

People living in more deprived areas are more likely to experience poor health, shorter life expectancy and less good access to health and care services due in part to poor housing, lower incomes, and lower health literacy (knowing how to understand and navigate the health and care system). Despite being a relatively affluent county, within Sussex there are pockets of significant social deprivation, notably along the coastal strip in Hastings, Brighton and Hove and Littlehampton, which rank within the most deprived areas in England.

Our population is ageing but those from more deprived neighbourhoods are spending increasingly more time in ill health and people are developing multiple long-term conditions at younger ages than before. Whilst there is a stark difference in life expectancy between the most and least disadvantaged men and women.

The table below summarises population differences between Brighton and Hove, East Sussex and West Sussex.

	Brighton & Hove	East Sussex	West Sussex
Population Size	292,000	559,000	868,000
Aging Population	83% aged over 60	High proportion of people aged 65+ compared to other parts of the UK	High proportion of people aged 65+ compared to other parts of the UK
Difference in life expectancy most and least deprived - Men	9.9 years	11 years	14 years
Difference in life expectancy most and least deprived - Women	7.7 years	10 years	14 years

People from Black and Asian Minority Ethnic (BAME) communities are also more likely to experience poor health and barriers to services as are those with learning disabilities or mental ill health.

The NHS Long Term Plan (2019) has highlighted the need to take a concerted and systematic approach to reducing health inequalities and addressing the unwarranted variations in care that arise. The Covid-19 pandemic acutely highlighted how marginalised groups were adversely impacted and the Equality, Diversity & Inclusion agenda is of great importance to the Trust.

Progress has been made this year in understanding and addressing inequalities in access and outcomes for our patients. This includes:

- Analysing our waiting list population and stratifying patients according to characteristics such as deprivation and ethnicity to understand what inequalities are evident, under the oversight of the Health Inequalities Strategic Oversight Group.
- Connecting as an active partner in the Sussex Health and Care Partnership's population health management work and delivery of the national 'Core 20 plus 5' programme to reduce inequalities.
- Quarterly patient experience reports which include a review of patient feedback and how this has enabled improvements for those who may face inequalities in access and outcomes, with the resulting actions taken being reported to the appropriate Trust committees.
- The launch of new 'Welcome Standards' aimed at improving customer service have been piloted, with an emphasis on inclusion.
- Access to patient feedback has been enabled via the new Friends and Family Test system, with a word and comment search function so that all service areas can understand what patients have to say about their experience, including those for whom their experience was perceived to have been influenced by a characteristic such as disability or gender.
- Close work continues with local Healthwatch organisations, including hearing the voice of less heard groups. This is at the heart of the patient experience strategy, launched in 2022, with examples including Healthwatch reports from their 'enter and view' programme, which includes inclusion and accessibility.
- Hundreds of patient information leaflets have been produced about specific conditions which are fully accessible and published on the Trust website, which is available in multiple languages and formats.

The Trust will build on this progress in 2024/25. The plans include further engagement of less heard groups in major developments such as stage 2 of the 3Ts programme and the redevelopment of the emergency department.

Inclusion is one of the Trust's values and University Hospitals Sussex has a number of services and functions with a health inequalities focus, with Trust-wide strategic responsibility under the Chief Medical Officer. There is an Equality, Diversity and Inclusion team within the People Services and the Patient Experience teams in the Chief Nurse services include a focus on engagement with an inequalities lens.

Taking opportunities to engage with patients during hospital visits to address health promotion such as stopping smoking, weight loss and alcohol management (Making Every Contact Count) also contributes to reducing inequalities in our local population. Ensuring clinical teams are enabled to confidently deliver such messaging is an important part of embedding a collaborative approach to tackling health inequalities in a hospital setting.

The Trust is committed to delivering NHS England's approach to reducing adult health inequalities through the Core20PLUS5 programme.

The biggest area of focus and improvement for the Trust has been in Smoking Cessation with the implementation of the Smoke Free Pregnancy Service, which has made positive improvements with;

- 93.1% of patients with CO monitoring at Booking\*
- 87.3% of patients with CO monitoring at 36 weeks\*
- 93.5% of patients referred to smoke free pregnancy service
- 75.5% of patients being offered a consultation within 5 days of referral
- 98% of patients being contacted within 1 working day of referral
- 32% of patients smoke free at 36 weeks
- 32% quit rate from those smoking at time of booking (8.1%) versus those smoking at 36 weeks 5.2%).

*\*Data from 13 June 2023 to 31 March 2024 due to change in maternity information system*

In addition the Trust has undertaken a piloted project within outpatients for patients post cardiac arrest/chest pain, capturing 177 patients over the period November 2023 to March 2024. During the pilot patients were counselled on smoking cessation and offered intervention and referral, of the 177 patients;

- 86% took up an intervention such as a vape
- 79% reduced the number of cigarettes smoked, and
- 29% quit smoking

This programme will now be rolled out across the wider outpatients setting.

Furthermore, the Trust has an embedded Patient First Improvement System (PFIS) which has Trust-wide influence and structures to shape evidence-based improvement across services and divisions. This provides an opportunity to lever the influence of the PFIS approach on behaviours and prioritisation across the Trust to strengthen the impact on addressing inequalities.

#### **1.3.14 Patient Care**



##### **Care Quality Commission standards.**

The CQC has undertaken several inspections across the Trust since the Trust was established in April 2021. The most recent inspection of our hospitals was in August 2023, and covered General Surgery and Medicine at our main hospital sites. Previous inspections included Maternity services across each of the Trust's four main sites, General Surgery at Royal Sussex County Hospital, the Emergency Department at the Royal Sussex County Hospital Royal Children's Hospital and Neurosurgery at the Royal Sussex County Hospital.

As a result of the inspection in August 2023 each hospital was rated as "requires improvement" as was the Trust overall. The previous inspections did not change hospital ratings from those inherited from Western Sussex

Hospitals Foundation NHS Trust and Brighton and Sussex University Hospitals NHS Trust.

The table below shows the CQC ratings by domain for each of the four registered hospitals sites, noting that Southlands is registered under Worthing hospital.

	Overall	Safe	Effective	Caring	Responsive	Well-led
<b>Princess Royal</b>	 Requires Improvement	 Requires Improvement	 Good	 Good	 Requires Improvement	 Requires Improvement
<b>St Richard's</b>	 Requires Improvement	 Requires Improvement	 Good	 Outstanding	 Requires Improvement	 Requires Improvement
<b>Royal Sussex County</b>	 Requires Improvement	 Requires Improvement	 Requires Improvement	 Outstanding	 Requires Improvement	 Requires Improvement
<b>Worthing</b>	 Requires Improvement	 Requires Improvement	 Requires Improvement	 Outstanding	 Requires Improvement	 Requires Improvement

The CQC reports include numerous positive comments in respect of good care and treatment, kind and compassionate staff, teams working well together, patients being respected and involved with their care, patients being supported to lead healthier lives and good local leadership. Of particular note was that the latest inspection of general surgery at the Royal Sussex County Hospital site found improvement which supported a positive movement in that whole hospital rating.

Within the reports from the August inspections the CQC made 40 recommendations of these 28 where categorised as Must Do and 18 categorised as Should Do. Some of these are practical, such as improving training and appraisal rates and doing more to address staffing pressures, whereas others are cultural, promoting a better learning culture, doing more to make sure colleagues feel able to speak up, and instilling confidence that concerns will be responded to.

Each recommendation has an assigned delivery lead. The reporting of the delivery of these is overseen by a CQC improvement steering group that is co-chaired by the Trust's Chief Nurse and Chief Medical Officer. The steering group reports on the Quality and Safety Improvement Programme.

At the end of April 2024, 22 of the Must Do actions were being delivered in line with their agreed plans with the remaining 6 still requiring a clear final implementation date to be determined. 7 of the Should Do actions were being

delivered in line with their agreed plans with the remaining 5 again requiring the determination of their final implementation date.

In response to these reports and to drive sustained improvement the Trust established the Quality and Safety Improvement Programme overseen by a dedicated Board Committee (see the next section on the Quality and Safety Improvement Programme). The delivery of the improvements in safety and quality is assured by the Board through its Quality Committee.

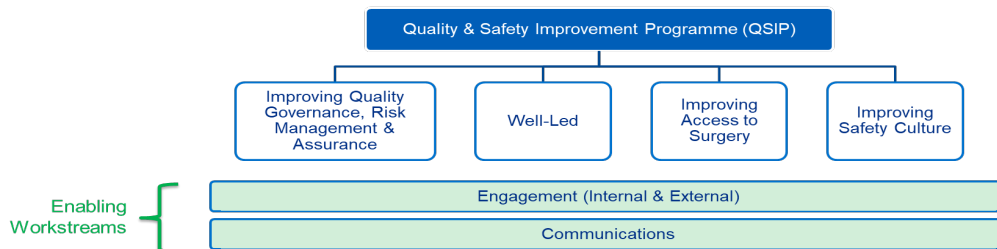
An inspection in 2023 of General Surgery at the Royal Sussex County Hospital resulted in the Trust receiving an enforcement notice in relation to Upper GI Cancer Surgery. As a result, the Trust does not undertake these surgical procedures with these patients being treated at neighbouring Trusts.

The Trust has not participated in any special reviews or investigations by the CQC during the reporting period. However, the Trust has continued to engage with the CQC has sought to understand our services and provide insights for improvement.

The Trust is not undertaking cancer surgical procedures in Upper GI Cancer Surgery and is therefore compliant with the registration requirements of the Care Quality Commission.

### Quality and Safety Improvement Programme

To drive sustained improvement and meet the expectations of patients and of our regulators the Quality and Safety Improvement Programme has been established. This programme has four main delivery workstreams, each led by a Trust Executive, covering access to surgery, safety culture, well-led and governance, risk management and assurance. These workstreams are themselves supported by enabling communication workstreams, again led by a Trust Executive. The structure of this programme is summarised in the diagram below.



Progress on delivering the Quality and Safety Improvement Programme are overseen by a dedicated Committee of the Board. The Committee receives reports in respect of each of the delivery and enabling workstreams and the Committee itself provides a report to the Board and Council of Governors.

The delivery against the Quality and Safety Improvement Programme is also monitored through the routine provider assurance meetings with NHS Sussex and NHS England Region.

## How we learn

We have robust systems in place for reviewing incidents, complaints, mortality reviews and inquests within our clinical divisions. Each clinical division has a clinical governance lead to coordinate this activity and help the divisions to track and complete the actions arising out of each of these areas. The divisions also use safety huddles, the “Theme of The Week”, Patient Story newsletters and staff meetings to help communicate changes made in response to learning.

The weekly Patient Safety Incident Review Response Group (PSIRG) reviews all reported unexpected deaths and new incidents (graded moderate/severe harm and/or near miss on RL DATIX IQ).

The group also reviews newly reported high-grade complaints, findings from SJR’s and safeguarding alerts to ascertain whether they require conversion to incident investigation.

Using a senior multidisciplinary approach, the panel/group agree the appropriate level/grading of harm and the appropriate investigation/escalation level.

When harm occurs, talking to the person affected or their family/carer provides crucial context to any investigation. We continue to develop and encourage an open and honest approach to supporting patients who have been harmed, or their families, as candour and transparency are our core values. In 2022/23 the Trust remains 89% compliant in the Health & Social Care Act – Regulation 20 – Duty of Candour.

The Trust investigates all patient safety incidents, reported on our incident reporting system, DATIX. Incidents that are deemed serious incidents or never events undergo robust investigation, which involves root cause analysis (a systematic investigation that looks beyond the people concerned to understand underlying causes and environmental context in which the incident happened).

The Trust reported 72 Serious Incidents from April 2023 to December 2023\* via StEIS (Strategic Executive Information System - supports the monitoring of investigations between NHS providers and commissioners).

*\*note at December 2023, the Trust along with other nationally moved to the Patient Safety Incident Response Framework.*

## Learning from incidents

The Trust utilises reported incidents to learn and apply this learning to improve our processes. Over 2023/24 the following key activities have been undertaken to support this learning, these include

- The weekly Serious Incident Review Group (SIRG) has refreshed Terms of Reference in line with Patient Safety Incident Response Framework to become the Patient Safety Incident Response Group (PSIRG).
- The Serious Incident Meeting (SIM) has been replaced with Patient Safety Incident Monitoring (PSIM), which involves tracking weekly Duty of Candour compliance and bi-weekly tracking of incident investigation progress.
- A new Patient Falls incident review group has now commenced with a multi-disciplinary team panel, this panel is a feeder into PSIRG.
- Harm free care (falls/pressure damage/VTE) is moving into a structured process reporting to The Fundamental Standards of Care work programme and the wide-ranging Quality Safety Improvement Programme (QSIP)
- Thematic Review: In line with the new Patient Safety Incident Response Framework, thematic reviews have continued in Q3 2023/24.
- Divisional thematic reviews focusing on: Harm reviews from cancelled surgery: vascular, ortho, trauma, surgery, cancer. RTT follow up ophthalmology.
- Improving the incident reporting culture has been supported through the implementation of Datix DCIQ and ongoing training and education.
- A 3-tier accredited training programme has been designed incorporating human factors and system thinking. This training programme forms part of the foundations of the Trust mandatory Patient Safety Incident Response Plan (PSIRP).

The launch of DCIQ will see an improvement plan and trajectory to increase the rate of incident reporting to above the national average per 1000 bed days.

### **Responding to Complaints**

Our Patient Advice and Liaison Services (PALS) are usually the first port of call for anyone who has a problem they need the Trust to look into or resolve. PALS staff are able to offer advice on how and where to complain, investigate concerns and help bring resolution if things have gone wrong. Our complaints managers investigate more complex concerns that require a formal investigation about past events.

Throughout 2023/24, the Trust received 1,221 new complaints for investigation. The division which received the largest number of complaints was medicine covering Worthing and St Richards Hospitals, dominated by concerns raised about the A&E, reflecting the challenges in meeting demand for emergency care.

Prevalent causes of concern include clinical treatment, discharge and end of life care, all of which have been subject to improvement work in 2023/24. The 'Welcome Standards' programme focused on improving the experience of

greeting and entrance to the Trust has continued its implemented in year, with measurable improvements in patient reported experience.

During the year, the trajectory for the numbers of PALS concerns received also remained upwards, with increasing numbers of patients concerned about accessing results, appointments and dates for surgery. Concerns from cancer patients about access to radiology also increased through year.

### **1.3.15 Monitoring of Quality Priority Improvements**

The Trust has an established Quality Governance Structure which is overseen at Board level by the Patient and Quality Committee and at Executive Level through the Quality Governance Steering Group chaired by the Chief Medical Officer. Reports are presented to the Patient and Quality Committee and the Trust Board on the delivery of the Trust's True Norths which are themselves supported by the Trust's delivery of its stated quality improvement priorities.

### **1.3.16 Research as a driver for improving the quality of care and patient experience**

#### *National and local context*

University Hospitals Sussex is one of the largest teaching university hospitals in England and prides itself on its programme of engagement with wider local system partners, including social care, aiming to improve health and outcomes through research.

Research and innovation drive continuous quality improvement in healthcare and patients benefit immensely from associated breakthroughs in prevention, diagnosis, treatment, improved outcomes and recovery. The link between research activity at hospitals and good clinical outcomes for patients is well established and research active hospitals are more rewarding places to work. For these reasons, NHS England's "Maximising the benefits of research: Guidance for integrated care systems", published early in 2023, places a new emphasis on identifying local research priorities and increasing the quality and quantity of local research to address these needs, whilst ensuring that research findings are used to drive improvement in the quality of care for patients. The Sussex Health and Care Integrated Care System's "Improving Lives Together: Our ambition for a healthier future in Sussex" (December 2022) strategy supports our board aims to work in local partnerships, grow, retain and support our workforce (through provision of research opportunities, training and development), and improve our use of digital tools and data.

#### *Research delivery 23/24*

Over 2023/24 we have focused on growing and broadening the opportunities for our patients and staff to take part in research. A total of 7,534 participants were recruited into 182 studies running across all clinical specialities. 5,283 of these patients participated in potentially lifesaving clinical trials of new medications, devices, or procedures.

The Trust's research outputs continue to excel across cancer, cardiovascular disease, infectious diseases, renal, paediatrics and women and children's medicine. Following developmental work with other specialities including respiratory, gastroenterology and surgery, opportunities to grow patient participation in trials will widen in the coming years.

A significant new initiative launched this year to support our ambitions to embed research in the Trust's clinical operating model has been the creation of eight new divisional leads in research. Within each division senior clinicians with expertise in research leadership are now supporting the divisional chiefs and the Research and Innovation team to build business plans for research growth founded on embedding research roles in the workforce.

To support our ambitions to upskill our research workforce and develop research leaders of the future we have worked with the Brighton and Sussex Health Research Partnership to establish a new Research Training Hub. The hub will act as a single point of contact for advice, best practice, information on health and care academic careers, and recruitment to research fellowships. It will also provide training and development for academic clinicians and health and social care professionals at all stages of their academic journey. The hub will provide specific support for trainees on the Integrated Academic Training Programme, current PhD students across the Trust and its partners, and pre/post-doc healthcare professionals.

We have developed a major new partnership with the Trust's charity My UHSussex to build community and patient engagement in research and develop staff research skills. This will help us build a strong external, public facing profile, helping engage the public fully in our research. It will meet the charity's aims providing clear and immediate impacts of charity funding and donations, in a priority area for the charity and the Trust. The funding is supporting a programme of research training opportunities for multiprofessional staff ranging from early "internship awards" to introduce staff to research for the first time, "accelerator awards" for staff with research ideas and projects with opportunities to develop their ideas into projects that can secure substantive funding and "fellowships" supporting a small number of the most promising early-career researchers in the Trust undertake substantial periods of research with potential to directly drive up the quality of care experienced by our patients. It is also supporting a programme of public engagement work, again working with the Health Research Partnership focusing specifically on the communities in Sussex which are currently least involved in health and care research and delivering community engagement events, supporting development of community researchers, and helping develop the cross-partnership Patient and Public Advisory Group.

This year we introduced a new process to track University Hospitals Sussex academic publications and have compiled data for April to December 2023. During these nine months, there were 560 academic publications in total and 363 of these were research studies. 210 research studies had a member of University Hospitals Sussex staff listed as the primary author.

Research by University Hospitals Sussex was cited as evidence within 236 health policy and guidance documents (both national and international) published in 2023. This includes UHSussex citations in 30 NICE guidelines and 13 WHO publications.

### **1.3.17 The Best of University Hospitals Sussex - Our Year in Review**

Looking back, it's undeniable this has been a busy year for the Trust, but during the past 12 months there have been many great things that went on across our hospitals. Below is a summary of just some of the exciting and remarkable innovations, achievements and successes that unfolded throughout the year.

In April, colleagues were involved in treating a runner suffering from heat stroke complications at Brighton Marathon, with pioneering new cold-water treatment developed by the military. Without their quick intervention and rapid cooling, the runner could have sustained more significant organ damage but instead was able to go straight home, avoiding hospital admission.

We celebrated our colleagues for Nurses' Day and Day of the Midwife in May, recognising the diversity of skills, knowledge and experience they bring to the Trust and who collectively playing a vital role in the lives of thousands of families across Sussex.

June marked a monumental event as we opened our newest hospital building - the Louisa Martindale Building. Today, its state-of-the-art facilities have not only hugely improved patient care, but also our staff experience. That same month, our orthopaedic team at the Sussex Orthopaedic Treatment Centre (SOTC) also performed the first robotic-assisted knee replacement surgery.

A newly renovated fracture clinic at St Richard's Hospital opened in July, allowing fracture patients to be seen more quickly and helping reduce the length of time from referral to first appointment for elective patients. In August, we launched our Clinical Strategy, setting out our three-year ambitions for all clinical services in support of the Trust vision of excellent care, every time for all our patients. Later that month, an inspiring breakfast bar on Burlington Ward at Worthing Hospital was set up, helping patients to regain their confidence and rehabilitate them as they wait to go home.

Over at The Alex, we opened a brand-new audiology facility in September, dedicated to the care of babies and children experiencing deafness or balance difficulties. Whilst at Princess Royal, we celebrated innovative laser technology in urology being used in new procedures that boosted patient comfort and freed up space in theatres.

During October, we celebrated Black History Month, including holding in-person workshops across our four main hospital sites, training colleagues how best to care for afro hair and black skin. We also launched our new Research and Innovation Strategy, which set out our ambitions for healthcare research and innovation within the Trust, as well as proudly hosting the first UHSussex

all-staff conference, bringing together colleagues from our hospitals to engage with the wider workforce in a setting that encouraged their growth and development.

Our international recruitment team received the national Pastoral Care Quality Award in November for its commitment, compassion, and support to the recruitment of nurses and midwives from outside of the UK. That same month, the team lead was invited to Buckingham Palace to attend a reception hosted by the King to celebrate the contribution of internationally educated nurses and midwives working in the UK's Health and Social Care sector.

We ended 2023 on a celebratory high, hosting the first Volunteer Conference which recognised their huge contribution to UHSussex, including giving an incredible 156,000 hours of volunteer support to our hospitals that year. Our people also received national recognition for their commitment to patients, which include life changing maternity care for expectant mothers and birthing parents, and a lifetime of pioneering vascular surgical care.

By the new year, we officially opened a game changing Community Diagnostic Centre (CDC) at Southlands Hospital, helping speed up diagnosis and improve patient experience for those accessing diagnostic care. Today, it's welcomed more than 27,000 patients through its doors.

Come February, we invited renowned children's author Julia Donaldson to promote a project around the importance of reading to babies and young children at the Trevor Mann Baby Unit and by the close of the month, we were delighted to celebrate two-dozen baby 'leaplings' born on February 29.

March was bursting with innovations that were improving patient care and outcomes. At St Richard's, our gynaecology team were spearheading same day hysterectomies, our Integrated Breast Services developed an electronic system to help increase uptake for breast screening across Sussex and SOTC received a national award for taking the patient journey from face-to-face to digital - saving time for more than 1,000 patients.

By the year's end, we began the demolition of the Barry Building at the Royal Sussex County Hospital, marking the end of this historical figure but making way for an exciting new Sussex Cancer Centre that will transform the care we're able to provide for people living with cancer in Sussex.

These are just some of the exciting and innovative things we've been able to do as a Trust and that were only made possible by our team. Many more stories that we shared over the year across our communication channels can be found at: <https://www.uhsussex.nhs.uk/news/>

### **1.3.18 Stakeholder Relations**

Collaborative working is key to achieving the ambitions of our Patient First programme and the Trust's Systems and Partnerships strategic theme, which

puts a strong focus on the way we work with our external partners as well as on a multidisciplinary basis within the Trust.

Our approach is, and always has been, based on openness, honesty and a genuine desire to listen to and act on feedback to improve our services and our patients' experience. The Governors' Patient Experience and Engagement Committee exists to seek the views of Foundation Trust members through the governors, and those of the statutory bodies to inform priority work programmes to improve patient experience and influence the strategic direction of patient and public involvement by ensuring a wide range of stakeholder views are gathered and taken into account.

Our partners in our local health economy include GPs, community healthcare providers, NHS Sussex and Sussex Health and Care Partnership members, Healthwatch West Sussex, Brighton & Hove and East Sussex, social care providers, charities, the ambulance service and mental health Trust.

### **1.3.19 Our dedicated charity "My UHSussex"**

This year saw My University Hospitals Sussex charity commence work as a consolidated Charity. To this end it commenced implementation of an approved two-year strategic plan for the period April 2023 to March 2025 and an operational plan for the twelve-month period April 2023 to March 2024.

Within the strategic plan the new charity has confirmed three priorities that it is to both realise and maximise. These are;

- Priority 1 - Implement and further develop the charity brand and corporate character.
- Priority 2 - Devise and implement a multi-disciplinary fundraising programme that achieves the agreed operational targets and further develops the charity fundraising mix through developing expertise and best practice to achieve the ambition of yearly growth securing £12m by end of March 2028.
- Priority 3 - Design and implement a grant making / spend programme that responds to the requirements of Patient First priorities and delivers evidenced patient and staff benefit across each of the Trust's sites.

Through implementation of its operating plan, the charity has worked to develop its operating infrastructure. In particular, to ensure that all requisite governance and controls are in place, that new fundraising products are developed to engage supporters and that funds assurance is able to ensure grant making is effective and impactful.

The charity's first year has been a notable success with £2.2m secured in fundraised and investment income. Grant making saw an impressive £4.2m of charitable funds distributed in support of a number of initiatives including

- An Antenatal Garden at Princess Royal Hospital. An unused area was transformed into a garden area for patients to relax. It is a light and airy space with both shady and sunny spots and the surrounding garden wall painted in neutral colours, with butterfly artwork framing the space
- An Endoanal Ultrasound Scanner at St Richards Hospital. The provision of this extra equipment provides patient access to these scans at this site and save them having to travel to another location.
- Support for the Trust’s Research and Innovation programmes across the whole Trust. This support has seen the Trust being able to expand the research and associated clinical trails it can offer to our patients.
- An Extracellular vesicle analysis machine at the Royal Sussex County Hospital. By having extra equipment provides it allows the Trust to give more timely results to our patients.

Further work during the year has also seen the Charity prepare the ground for a capital fundraising appeal aimed at supporting the Stage 2 Cancer Centre planned for Sussex. This is an exciting development and one that demonstrably illustrates the potential of the charity as a catalyst for raising substantial funds in support of University Hospitals Sussex.

**1.3.20 Directors’ statement**

The Directors are required under the NHS Health Service Act 2006 to prepare accounts for each financial year.

The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for patients, regulators, and stakeholders to assess the Trust’s performance, business model and strategy.

Each Director of the Trust Board, at the time of approval of the Annual Report and Financial Statements, declares that:

- So far as they are aware, there is no relevant audit information of which the Trust’s auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust’s auditor is aware of that information.



..... 26 June 2024

**Dr George Findlay, Chief Executive**

## 2. Accountability Report

### 2.1 Directors' Report

Our Board of Directors is responsible for the management and performance of the Trust, and for setting its future strategy.

This section of the Annual Report provides an overview of 2023/24 from an operational and strategic standpoint, outlines the in-year development of the Trust's relationships and partnerships with stakeholders, and details its governance and management arrangements from a Board perspective.

#### 2.1.1 Managing the Trust

##### How the Trust is run

The Trust's Constitution sets out the way in which the Council of Governors and the Board of Directors will operate and work together including their key areas of responsibilities.

The Trust's Scheme of Delegation sets out the responsibilities of the Trust's Board and key Committees.

In the event of dispute between the Council and the Board then the dispute resolution procedure set out in the Constitution shall be followed in order to resolve the matters concerned. This has not been required during the period 1 April 2023 to 31 March 2024.

The Board is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained. The Board accounts for the performance of the Trust and consults on its future strategy with its members through the Council of Governors (CoG).

The Board has established a Committee structure of five Committees aligned to the Trusts' patient first pillars. The Committees retain their oversight of allocated BAF risks but also have capacity within their respective work programmes to provide enhanced assurance to the Board over the Trust's delivery of their stated True Norths, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.

#### Our Board of Directors 1 April 2023 to 31 March 2024

##### NON-EXECUTIVE DIRECTORS

Alan McCarthy MBE DL, Chairman from 01-10-18 (Term of Office to 30-06-24)

*Chair of the Executive Appointments and Remuneration Committee*

Patrick Boyle, Deputy Chair from 01-06-2021 (Term of Office to 30-06-23)  
2023

*Chair of People Committee to 30 June 2023*

Professor Paul Layzell CBE, Deputy Chair from 01-07-2023 (Term of Office  
01-09-2022 to 31-08-2025)

*Chair of People Committee from 1 July 2023 and Chair of Quality and  
Safety Improvement Committee*

Lucy Bloem, Senior Independent Director from 01-09-2021 (Term of Office to  
31-08-2024)

*Chair of the Patient and Quality Committee and NED Maternity Safety  
Champion*

David Curley from 01-07-2022 (Term of Office to 30-06-2025)

*Chair of the Audit Committee*

Lizzie Peers from 11-05-14 (Term of Office to 10-05-2024 this further year  
was approved by the Council of Governors)

*Chair of the Sustainability Committee and Chair of the Charitable  
Funds Committee*

Professor Jackie Cassell from 01.04.21 (Term of Office to 30-06-2024)

*Chair of the Patient Committee (until 31-01-2023)*

Claire Keatinge from 01.07.21 (Term of Office 30-06-2024)

*Chair of the Patient Committee, from 01-02-2023 and then became  
Chair of Research and Innovation Committee from October 2023 when  
the Patient Committee became part of the Quality Committee*

Bindesh Shah from 01.07.2022 (Term of Office to 30-06-2025)

*Chair of the Systems & Partnerships Committee*

Professor Malcolm Reed from 01.03.2023 (Term of Office to 31-07-2024)

*Non-Executive Director*

Philip Hogan from 01.01.2024 (Term of Office to 31-12-2027)

*Non-Executive Director*

Wayne Orr from 19.02.2024 (Term of Office to 18-02-2027)

*Non-Executive Director*

**ASSOCIATE NON-EXECUTIVE DIRECTORS (non-voting members of the Board)**

Lillian Philip from 30-04-20 (Term of Office to 29-04-2023)

Sadie Mason MBE from 01-07-2023 (Term of Office to 30-11-2023)

**EXECUTIVE DIRECTORS**

Dr George Findlay, *Chief Executive*

Dr Andy Heeps, *Deputy Chief Executive and Chief Operating Officer*

Karen Geoghegan, *Chief Financial Officer*

Dr Maggie Davies, *Chief Nurse*

David Grantham, *Chief People Officer*

Professor Catherine (Katie) Urch, *Chief Medical Officer from 1 April 2023*

Roxanne Smith, *Chief Strategy Officer from 2 June 2023 but was on maternity leave until late November 2023*

Darren Grayson, *Chief Governance Officer*

Sandi Drewett, *Chief Culture and Organisational Development Officer from 21 November 2023*

Leanne Mclean, *Interim Chief Nurse from 21 March 2023 to 6 September 2023 (covering for the substantive Chief Nurse who was on planned leave)*

*It should be noted that both the Chief Governance Officer and Chief Cultural and Organisational Development Officer are not voting members of the Board.*

**Board of Directors**

The Chair and Non-Executive Director Directors are appointed by the Council of Governors.

The Directors of the Trust for the period of this report are shown in the table below together with their attendance at Board meetings for the same period. All of the Non-Executive Directors are considered to be independent. The Chair of the Board is also the Chair of the Council of Governors.

## **Deputy Chair**

Good practice suggests that the Trust should have a Deputy Chair to stand in during any period of absence of the Chair. The Trust Constitution makes provision for the appointment of a Deputy Chair and NHS Improvement's guidance states that this should be a Council of Governors appointment, although it would be expected that the Chair would make a recommendation to Governors.

Professor Paul Layzell CBE, Non-Executive Director, is the Deputy Chair.

## **Senior Independent Director**

The Senior Independent Director is a Non-Executive Director appointed by the Board as a whole in consultation with the Council of Governors. The Senior Independent Director has a key role in supporting the Chair in leading the Board and acting as a sounding board and source of advice for the Chair.

Lucy Bloem, Non-Executive Director, is the Board's Senior Independent Director.

## **Skills of the Board**

The Board undertook a review of its skills as it developed its merger full business case. This assessment recognised alongside the required clinical, financial, people, strategy and operational skills held by the executives these skills were replicated within the non-executives. The Board has used this skills analysis as it sought to replace retiring non-executive Directors thus ensuring the breadth of skills is maintained. The Board has commenced a formal review of its skills given Executive and Non-Executive Director appointments over 2023/24. The outcome of this work and any skills deficit will be reported to the Board in 2024/25.

With each recruitment opportunity, especially in respect of the Non-Executives then the whole Board skills are considered to ensure that the new appointment will add to and maintain a balance in Board skills.

## **Operation of the Board**

The Board has agreed a scheme of reservation and delegation which sets out those decisions which must be taken by the Board and those which may be delegated to the Executive or to Board sub-committees.

The Board sets the Trust's strategic aims and provides active leadership of the Trust. It is collectively responsible for the exercise of its powers and the performance of the Trust, for ensuring compliance with the Trust's Provider Licence, relevant statutory requirements and contractual obligations, and for ensuring the quality and safety of services. It does this through the approval of key policies and procedures, the annual plan and budget for the year, and schemes for investment or disinvestment above the level of delegation.

The Non-Executive Directors play a key role in taking a broad, strategic view, ensuring constructive challenge is made and supporting and scrutinising the performance of the Executive Directors, whilst helping to develop proposals on strategy.

Board meetings follow a formal agenda which includes a update from the Chief Executive, the Trust's structured integrated performance report that reflects the Trust's performance against its True North priorities, and where appropriate information on its breakthrough objectives, strategic initiatives and corporate projects along with information on a range of Strategic and Operational items including; patient experience, patient quality, workforce, financial and environmental sustainability along with the Trust's key performance targets.

The Board during 2023/24 agreed to enter into a series of undertakings with NHS England in respect to improvements required over the Trust's quality governance and operational performance.

The Board has received a range of information covering the Trust's annual plan, maternity service oversight dashboards, infection prevention and control, safeguarding, the Trust's capital programme, learning from deaths, learning from incidents, and various compliance reports. In response to entering into these undertakings the Board established a specific Committee, the Quality and Safety Improvement Programme Committee to provide assurance over the delivery of the established improvement plans.

#### Attendance at Board meetings 1 April 2023 to 31 March 2024

Member	Public Board	Private Board
Number of meetings in the year	4	14
<b>Non Executives</b>		
Alan McCarthy MBE DL, Trust Chairman	4 of 4 100%	13 of 14 93%
Professor Paul Layzell CBE, Deputy Chairman, Non-Executive Director	4 of 4 100%	12 of 14 86%
Lucy Bloem, Non-Executive Director	4 of 4 100%	12 of 14 86%
Professor Jackie Cassell, Non-Executive Director	4 of 4 100%	14 of 14 100%
David Curley, Non-Executive Director	3 of 4 75%	10 of 14 71%
Claire Keatinge, Non-Executive Director	4 of 4 100%	13 of 14 100%
Lizzie Peers, Non-Executive Director	3 of 4 75%	10 of 14 71%
Professor Malcolm Reed, Non-Executive Director	3 of 4 75%	12 of 14 86%
Bindesh Shah, Non-Executive Director	4 of 4 100%	14 of 14 100%
Philip Hogan, Non-Executive Director	1 of 1 100%	2 of 3 67%
Sadie Mason MBE	1 of 3	4 of 10

Member	Public Board	Private Board
Associate Non-Executive Director *	33%	40%
Patrick Boyle (Non-Executive Director)	1 of 1 100%	2 of 3 67%
Lillian Philip Associate Non-Executive Director *	Not Applicable	Not Applicable
Wayne Orr Non-Executive Director *	1 of 1 100%	0 of 2 0%
<b>Executives</b>		
Dr George Findlay, Chief Executive	4 of 4 100%	13 of 14 93%
Dr Andy Heeps, Deputy Chief Executive & Chief Operating Officer	4 of 4 100%	13 of 14 93%
Karen Geoghegan, Chief Financial Officer	4 of 4 100%	13 of 14 93%
Professor Catherine Urch, Chief Medical Officer	4 of 4 100%	14 of 14 100%
Leanne McLean, Interim Chief Nurse	2 of 2 100%	7 of 7 100%
Dr Maggie Davies, Chief Nurse	2 of 2 100%	7 of 7 100%
Darren Grayson, Chief Governance Officer *	4 of 4 100%	13 of 14 93%
David Grantham, Chief People Officer	4 of 4 100%	12 of 14 86%
Roxanne Smith, Chief Strategy Officer	1 of 1 100%	3 of 4 75%
Sandi Drewett, Chief Culture & Organisational Development Officer *	1 of 1 100%	4 of 4 100%

Note \* non voting members of the Board

## Board Committees

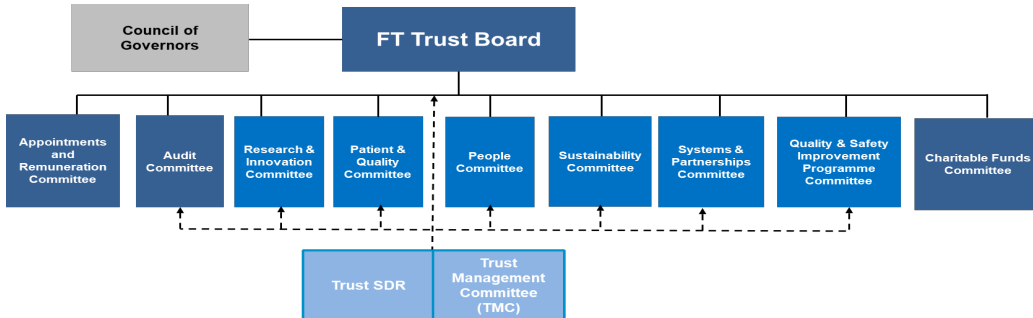
The Board has established a series of Committees aligned to the Trust's patient first strategic domains that support the discharging of the Board's responsibilities. Each Committee is chaired by a Non-Executive Director.

These committees do not operate independently of each other but where appropriate operate together (and indeed report to one another) to ensure full coverage and clarity on all areas of Trust activity. The schematic below shows the inter-relationships of the Committees and the Board as at the 31 March 2024, noting that from April the Sustainability and Systems and Partnerships Committees are to be joined together to form a Finance and Performance Committee. Also from 1 April the People Committee is to be renamed as the People and Culture Committee and the Research and Innovation Committee will by assuming responsibility of the oversight of digital assurance be named the Research, Innovation and Digital Committee.

Complementing these are four Committees, the Audit Committee, Appointments and Remuneration Committee and a Charitable Funds Committee these three Committees are mandated with then an established dedicated Committee to oversee the Trust's delivery of its Quality and Safety

Improvement Programme. These three Committees are also chaired by a Non- Executive Director.

The Board Committee schematic at 31 March 2024 is shown below



### Patient Committee

The Patient Committee supported the Board in ensuring that the Trust’s processes take account of patient feedback and that the Trust has sound processes for securing patient engagement where pathway changes are to be considered. During 2023/24 the Committee was joined with the Quality Committee in recognition of the overlap in reporting with its responsibility for the oversight of the Trust’s Research and Innovation activities assigned to a dedicated Research and Innovation Committee.

### Research and Innovation Committee

The Board agreed to establish a dedicated Research and Innovation Committee when the Patient Committee was amalgamated with the Quality Committee. The Research and Innovation Committee provided assurance to the Board on the Trust’s development and successful implementation of its Research and Innovation Strategy along with assurance over research activity over the year. This Committee from the 1 April 2024 is to also assume responsibility for the oversight of the Trust digital assurance agenda.

### Patient and Quality Committee

The Patient and Quality Committee, up until July, the Committee was titled the Quality Committee. This Committee supports the Board in ensuring that the Trust’s management of clinical and non-clinical processes and controls are effective in setting and monitoring good standards and continuously improving the quality of services provided by the Trust. From July the Committee also assumed responsibility for oversight of the Trust’s processes for learning from patient feedback from the various national patient surveys and the Friends and Family Test results. Given the breadth of activity this Committee has oversight for this Committee meets every month.

### People Committee

The People Committee supports the Board in ensuring that the Trust’s processes and controls are effective in setting and monitoring good standards and continuously improving the leadership, development and wellbeing of the Trust’s workforce alongside oversight of compliance with the Trust’s range of

workforce KPIs. During the last quarter of 2022/23 the Committee decided to increase the frequency of its meetings and this changed meeting frequency continued into 2023/24 with the Committee meeting 7 times a year. At the end of 2023/24 the Committee agreed to adjust its name to the People and Culture Committee to make explicit its oversight for the Trust's cultural improvement plans.

### Sustainability Committee

The Sustainability Committee supports the Board to ensure that all appropriate action is taken to achieve the financial objectives of the Trust through regular review of financial strategies and performance, investments, and capital and estates plans and performance. The Committee also has oversight of the Trust's processes for setting and delivering the Trust's environmental sustainability agenda, IM&T procurement and major investment business cases.

The Committee is chaired by a designated Non-Executive, however, all Non-Executive and Executive Directors are invited to attend. This Committee meets on a monthly basis. At the end of 2023/24 the Board agreed to join this Committee with the Systems and Partnerships Committee to form a Finance and Performance Committee at the same time the oversight of digital and IM&T assurance was agreed to transfer to the renamed Research, Innovation and Digital Committee.

### Systems and Partnerships Committee

The Systems and Partnership Committee supports the Board to ensure that all appropriate action is taken to achieve its operational performance along with the Trust's processes for working with the systems and its engagement with ICS. As the Trust entered into Tier One oversight for Cancer and Planned Care (Referral to Treatment) performance the frequency of the Committee meetings increased to monthly.

At the end of 2023/24 the Board agreed to join this Committee with the Sustainability Committee to form a Finance and Performance Committee

The table below shows the attendance at each of these Committees

	<i>Quality</i>	<i>Patient</i>	<i>Patient &amp; Quality</i>	<i>Research &amp; innovation</i>	<i>People</i>	<i>Sustainability</i>	<i>Systems &amp; partnerships</i>
Number of meetings	5	2	7	2	7	11	7
Alan McCarthy MBE DL, Trust Chairman	4 of 5 80%	0 of 2 0%	6 of 7 86%	1 of 2 50%	1 of 7 14%	4 of 11 36%	4 of 7 57%

	<b>Quality</b>	<b>Patient</b>	<b>Patient &amp; Quality</b>	<b>Research &amp; innovation</b>	<b>People</b>	<b>Sustainability</b>	<b>Systems &amp; partnerships</b>
Number of meetings	5	2	7	2	7	11	7
Professor Paul Layzell CBE, Deputy Chairman & Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	6 of 7 86%	10 of 11 91%	1 of 1 100%
Lucy Bloem, Non-Executive Director	5 of 5 100%	Not Applicable	7 of 7 100%	Not Applicable	2 of 2 100%	Not Applicable	6 of 7 86%
Professor Jackie Cassell, Non-Executive Director	4 of 5 80%	2 of 2 100%	7 of 7 100%	2 of 2 100%	1 of 1 100%	Not Applicable	Not Applicable
David Curley, Non-Executive Director	4 of 5 80%	0 of 2 0%	1 of 7 14%	1 of 2 50%	Not Applicable	Not Applicable	Not Applicable
Claire Keatinge, Non-Executive Director	Not Applicable	2 of 2 100%	Not Applicable	2 of 2 100%	5 of 7 71%	Not Applicable	Not Applicable
Lizzie Peers, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	4 of 7 57%	11 of 11 100%	6 of 7 86%
Professor Malcolm Reed, Non-Executive Director	2 of 5 40%	1 of 2 50%	5 of 7 71%	1 of 2 50%	Not Applicable	Not Applicable	1 of 7 14%
Bindesh Shah, Non-Executive Director	5 of 5 100%	Not Applicable	7 of 7 100%	Not Applicable	Not Applicable	11 of 11 100%	7 of 7 100%
Philip Hogan, Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	1 of 1 100%	Not Applicable	3 of 3 100%	2 of 2 100%

	<b>Quality</b>	<b>Patient</b>	<b>Patient &amp; Quality</b>	<b>Research &amp; innovation</b>	<b>People</b>	<b>Sustainability</b>	<b>Systems &amp; partnerships</b>
Number of meetings	5	2	7	2	7	11	7
Sadie Mason MBE Associate Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Patrick Boyle Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	1 of 1 100%	1 of 3 33%	1 of 1 100%
Lillian Philip Associate Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Wayne Orr Non-Executive Director	Not Applicable	Not Applicable	Not Applicable	Not Applicable	1 of 1 100%	Not Applicable	Not Applicable
Dr George Findlay, Chief Executive	2 of 5 40%	2 of 2 100%	3 of 7 43%	1 of 2 50%	4 of 7 57%	4 of 11 36%	4 of 7 57%
Dr Andy Heeps, Deputy Chief Executive & Chief Operating Officer	Not Applicable	Not Applicable	Not Applicable	Not Applicable	7 of 7 100%	8 of 11 73%	7 of 7 100%
Karen Geoghegan Chief Financial Officer	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	11 of 11 100%	7 of 7 100%
Professor Catherine Urch, Chief Medical Officer	4 of 5 80%	1 of 2 50%	7 of 7 100%	2 of 2 100%	2 of 2 100%	Not Applicable	Not Applicable
Leanne McLean, Interim Chief Nurse	4 of 5 80%	2 of 2 100%	1 of 1 100%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Dr Maggie Davies, Chief Nurse	Not Applicable	Not Applicable	5 of 6 83%	2 of 2 100%	1 of 4 25%	Not Applicable	Not Applicable

	<i>Quality</i>	<i>Patient</i>	<i>Patient &amp; Quality</i>	<i>Research &amp; innovation</i>	<i>People</i>	<i>Sustainability</i>	<i>Systems &amp; partnerships</i>
Number of meetings	5	2	7	2	7	11	7
Darren Grayson, Chief Governance Officer	3 of 5 60%	1 of 2 50%	4 of 7 57%	Not Applicable	Not Applicable	7 of 11 64%	5 of 7 71%
David Grantham, Chief People Officer	0 of 5 0%	1 of 2 50%	2 of 7 29%	1 of 2 50%	7 of 7 100%	9 of 11 82%	n of a
Roxanne Smith, Chief Strategy Officer	Not Applicable	Not Applicable	Not Applicable	1 of 1 100%	1 of 1 100%	2 of 4 50%	2 of 4 50%
Sandi Drewett, Chief Culture & Organisational Development Officer	Not Applicable	Not Applicable	Not Applicable	Not Applicable	3 of 3 100%	2 of 4 50%	Not Applicable

### Appointment and Remuneration Committee

The Committee sets the terms and conditions of the Executive Directors. This committee's membership is the Trust Chair and Non-Executive Directors only. In attendance at meetings are the Chief Executive, Chief People Officer and the Company Secretary.

During the period the Committee did not procure any external advice relating to pay.

This meeting met four times during the year.

### Audit Committee

The existence of an independent Audit Committee is the central means by which the Trust Board ensures effective control arrangements are in place. The Committee membership is solely made of Non-Executive Directors in line with the Code of Governance for Foundation Trusts, with each of the Committee NED Chairs being members of the Audit Committee and the Audit Committee chair being independent of other Committee Chair responsibilities.

The Audit Committee independently reviews, monitors and reports to the Board on the attainment of effective internal control systems and financial reporting processes.

The Chief Financial Officer, Chief Governance Officer, Director of Finance, Company Secretary, Local Counter Fraud Services, Internal and External Auditors are regular attendees at meetings of the Committee. The Committee requests other senior Trust officers to attend for specific items.

Also in attendance at the Audit Committee are the Trust's External Auditor, Grant Thornton LLP, the Trust's Internal Auditor which is BDO LLP and the Trust's Local Counter Fraud Service provider RSM UK. Grant Thornton do not provide any non audit services to the Trust.

The Audit Committee agenda is based upon an agreed annual work-plan. In order to maintain independent channels of communication, the members of the Audit Committee hold a private meeting collectively with External Audit, Internal Audit and Counter Fraud at least once a year. This provides all parties the opportunity to raise any issues without the presence of management.

The Audit Committee is responsible to the Board for reviewing the adequacy of the governance, board assurance and risk management and internal control processes within the Trust. In carrying out this work the Audit Committee obtains assurance from the work of the Internal Audit, External Audit and Counter Fraud Services.

The Audit Committee review the financial year-end Annual Report, Annual Accounts and Annual Governance Statement with the External Auditor prior to Board approval and sign off.

The Audit Committee agrees the schedule of Internal Audit reviews at the start of the year and receives the reports of those audits and tracks the implementation of recommendations at each of its meetings.

### **Charitable Funds Committee**

The purpose of the Charitable Funds Committee is to monitor progress and performance against the strategic direction of the Trust's charity fundraising activity as determined by the Board as corporate Trustee; to approve and monitor expenditure of charitable funds in line with specified priority requirements; and to monitor the management of the Trust's investment portfolio ensuring that the Trust at all times adheres to Charity Law and to best practice in governance and fundraising. The Committee meets quarterly but convened three further times to consider funding bids.

### **Quality and Safety Improvement Programme Committee**

The Board elected during 2023/24 to establish a dedicated Committee to oversee the Trust's delivery of its developing Quality and Safety Improvement Programme. This programme is aligned to the delivery of the Trust undertakings. The Committee receives reports from each of the Executive workstream leads along with the programme risk register.

	<b>Quality &amp; Safety Improvement Programme Committee</b>	<b>Audit Committee</b>	<b>Charitable Funds Committee</b>
Number of meetings	5	5	9
Alan McCarthy MBE DL, Trust Chairman	4 of 5 80%	Not Applicable	1 of 1 100%
Professor Paul Layzell CBE, Deputy Chairman & Non-Executive Director	4 of 5 80%	3 of 5 60%	1 of 1 100%
Lucy Bloem, Non-Executive Director	5 of 5 100%	5 of 5 100%	1 of 1 100%
Professor Jackie Cassell, Non-Executive Director	Not Applicable	2 of 2 100%	7 of 9 78%
David Curley, Non-Executive Director	3 of 5 60%	5 of 5 100%	Not Applicable
Claire Keatinge, Non-Executive Director	Not Applicable	3 of 5 60%	8 of 9 89%
Lizzie Peers, Non-Executive Director	Not Applicable	2 of 5 40%	8 of 9 89%
Professor Malcolm Reed, Non-Executive Director	3 of 5 60%	1 of 1 100%	Not Applicable
Bindesh Shah, Non-Executive Director	Not Applicable	2 of 5 40%	1 of 1 100%
Philip Hogan, Non-Executive Director	Not Applicable	1 of 1 100%	1 of 1 100%
Sadie Mason MBE Associate Non-Executive Director	Not Applicable	Not Applicable	1 of 7 14%
Patrick Boyle Non-Executive Director	Not Applicable	2 of 3 67%	Not Applicable
Lillian Philip Associate Non-Executive Director	Not Applicable	Not Applicable	Not Applicable
Wayne Orr Non-Executive Director	Not Applicable	Not Applicable	Not Applicable
Dr George Findlay, Chief Executive	2 of 5 40%	Not Applicable	1 of 1 100%
Dr Andy Heeps, Deputy Chief Executive & Chief Operating Officer	5 of 5 100%	Not Applicable	Not Applicable
Karen Geoghegan, Chief Financial Officer	4 of 5 80%	4 of 5 80%	5 of 9 56%
Professor Catherine Urch, Chief Medical Officer	5 of 5 100%	Not Applicable	Not Applicable
Leanne McLean, Interim Chief Nurse	Not Applicable	Not Applicable	3 of 5 60%
Dr Maggie Davies, Chief Nurse	5 of 5 100%	Not Applicable	Not Applicable
Darren Grayson, Chief Governance Officer	5 of 5 100%	4 of 5 80%	8 of 9 89%
David Grantham, Chief People Officer	3 of 5 60%	Not Applicable	7 of 9 78%
Roxanne Smith, Chief Strategy Officer	4 of 5 80%	Not Applicable	Not Applicable

Sandi Drewett, Chief Culture & Organisational Development Officer	5 of 5 100%	Not Applicable	Not Applicable
--	----------------	----------------	----------------

### 2.1.2 Executive and NED appointments and appraisal

The Chief Executive undertakes an appraisal on the performance of the Executive Directors, which are formally reported to the Appointment and Remuneration Committee.

The Chair conducts the Chief Executive's appraisal which is reported in the same way.

The Chair undertakes the appraisal of the Non-Executive Directors, having sought feedback from other Directors. The Senior Independent Director conducted the appraisal of the Chair which included feedback from Directors, Governors and the wider system. The Chair and Non-Executive Directors appraisals were formally reported to the Council of Governors.

The Chairman, other Non-Executive Directors, and the Chief Executive are responsible for deciding the appointment of Executive Directors.

Non-Executive Directors are appointed by the Council of Governors with the process being led by the Governors Nomination and Remuneration Committee. Non-Executive Directors are appointed for a three-year term in office. A Non-Executive can be re-appointed for up to two further three-year terms in office on an uncontested basis, subject to the recommendation of the Chairman and approval by the Council of Governors.

During the year the Council of Governors were actively involved in the recruitment of a new Chair ahead of the retirement of the current Trust Chair at the end of June 2024. Their involvement included being part of the interview panel but also being part of the shortlisting and stakeholder panel processes ahead of the formal interviews.

All Non-Executive Directors are considered to be independent and their independence is considered during their annual appraisal and confirmed by the Governors.

### 2.1.3 Statement of compliance with the Code of Governance for NHS Provider Trusts 2023/24

University Hospitals Sussex NHS Foundation Trust has applied the principles of the Code of Governance of NHS Provider Trusts which follows the 'comply or explain' basis.

The Code requires several disclosures to be made within the Annual Report of NHS Trusts. These are recorded in the table below, noting that for many there is more detail within other sections of the annual report and where this is the case then a cross reference to those paragraphs has been included.

The Foundation Trust Annual Reporting Manual also requires Foundation Trust's to make further disclosures regarding how the Trust and Governors work, for ease, compliance against these requirements have been included in the table, again where applicable, appropriate cross references have been included to where the detail is contained in other parts of the annual report.

Code section	Summary of requirement	Trust position
A 2.1	The Board of Directors should assess the basis on which the Trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of Directors should ensure the Trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The Trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Compliant  Further detail is provided within the Performance section 1.3 and its various sub sections along with Annual Governance Statement section 2.7
A 2.3	The Board of Directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the Trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the Trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	Compliant.  Further detail is provided within the Staff Report section 2.3 and in particular section 2.3.3 for staff wellbeing.
A 2.8	The Board of Directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the Trust has entered. The board of Directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	Compliant.  Further information is provided within the Performance section 1.3 especially in relation to systems and partnerships. Also see sections 1.3.12 and 1.3.13 in respect of work to address equity of access and health inequalities.
B 2.6	The Board of Directors should identify in the annual report each non-executive Director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a	Compliant.  Information in respect of the

Code section	Summary of requirement	Trust position
	<p>non-executive Director's independence include, but are not limited to, whether a Director:</p> <ul style="list-style-type: none"> <li>• has been an employee of the Trust within the last two years</li> <li>• has, or has had within the last two years, a material business relationship with the Trust either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Trust</li> <li>• has received or receives remuneration from the Trust apart from a Director's fee, participates in the Trust's performance-related pay scheme or is a member of the Trust's pension scheme</li> <li>• has close family ties with any of the Trust's advisers, Directors or senior employees</li> <li>• holds cross-Directorships or has significant links with other Directors through involvement with other companies or bodies</li> <li>• has served on the Trust Board for more than six years from the date of their first appointment</li> <li>• is an appointed representative of the Trust's university medical or dental school.</li> </ul> <p>Where any of these or other relevant circumstances apply, and the board of Directors nonetheless considers that the non-executive Director is independent, it needs to be clearly explained why.</p>	<p>Board members is provided at section 2.1 Directors report including information on each Board member at section 2.1.1 plus information on the Trust processes for recording and managing and interests is provided at section 2.1.6.</p> <p>Information on Remuneration of each Board members is included in section 2.4 Remuneration Report.</p>
B 2.13	The annual report should give the number of times the board and its committees met, and individual Director attendance.	<p>Compliant</p> <p>This is described in section 2.1 Directors Report, specifically in section 2.1.1 How the Trust is run.</p>
B 2.17	For foundation Trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of Directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the	<p>Compliant</p> <p>In respect of the Governors this is described in section 2.2 Governor Report specifically in sections 2.2.2 Role of the Governors.</p>

Code section	Summary of requirement	Trust position
	Board of Directors.	In respect of the Board this is described in section 2.1 Directors Report specifically in section 2.1.1 How the Trust is run.
C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Trust or individual Directors.	There have been no significant external consultancy engagements this year.
C 2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive Directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference.	Compliant  This is described in Section 2.2 Governors report specifically within section 2.2.11.
C 4.2	The Board of Directors should include in the annual report a description of each Director's skills, expertise and experience.	Compliant  This is included within section 2.1 Directors Report specifically in section 2.1.1 How the Trust is run and 2.1.2 Executive and NED appointments along with 2.2.11 for the Governors appointment process for NEDs.
C 4.7	All Trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the Trust or individual Directors.	The Trust has not undertaken an externally facilitated well led review since the merger but the annual report describes in section 2.1.8 the Trust's response to the CQC well led review.

Code section	Summary of requirement	Trust position
C 4.13	<p>The annual report should describe the work of the nominations committee(s), including:</p> <ul style="list-style-type: none"> <li>• the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline</li> <li>• how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of Directors and individual Directors, the outcomes and actions taken, and how these have or will influence board composition</li> <li>• the policy on diversity and inclusion including in relation to disability, its objectives and linkage to Trust vision, how it has been implemented and progress on achieving the objectives</li> <li>• the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the Trust's workforce and communities served the gender balance of senior management and their direct reports.</li> </ul>	<p>Complaint</p> <p>This is included within section 2.1 Directors Report specifically in section 2.1.1 How the Trust is run and 2.1.2 Executive and NED appointments along with 2.2.11 for the Governors appointment process for NEDs.</p> <p>Information in respect of diversity and inclusion including the NHS WRES is included in section 2.3 Staff Report specifically in section 2.3.1.</p>
C 5.15	<p>Foundation Trust governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p>	<p>Compliant</p> <p>Detail is provided within section 2.2 Governors Report and specifically within section 2.2.2 role of the Governors and within the section 2.1.10 membership engagement.</p>
D 2.4	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed</li> <li>• an explanation of how the audit committee (and/or auditor panel for an NHS Trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted</li> </ul>	<p>Compliant</p> <p>This include in section 2.1 Directors report and 2.1.1 how the Trust is Run which provides information on role and operation of the Audit Committee.</p>

Code section	Summary of requirement	Trust position
	<p>and advance notice of any retendering plans</p> <ul style="list-style-type: none"> <li>• where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit</li> <li>• an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services.</li> </ul>	<p>The Council of Governors appoint the Trust's external auditors and the current auditors were appointed through open competition from the 2021/22 year</p> <p>The Trust uses BDO to provide Internal Audit Services.</p> <p>The Audit Committee supports the Governors assess the independence of the auditors. The Trust has a policy to assess any additional work being proposed to be provided by the External Auditors.</p>
D 2.6	<p>The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy.</p>	<p>Complaint</p> <p>See the Directors statement at 1.3.20 plus the statement of the accounting officer at section 2.6</p>
D 2.7	<p>The Board of Directors should carry out a robust assessment of the Trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.</p>	<p>Compliant</p> <p>Information the Trust's risk management process and principal risks are included at section 1.3.3 also information is provided within the</p>

Code section	Summary of requirement	Trust position
		Annual Governance Statement at section 2.7.
D 2.8	The Board of Directors should monitor the Trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	Complaint  Information on this assessment is provided within the Annual Governance Statement at section 2.7.
D 2.9	In the annual accounts, the Board of Directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation Trust annual reporting manual which explain that this assessment should be based on whether a Trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	Compliant  A statement is included in section 1.3.8
E 2.3	Where a Trust releases an executive Director, eg to serve as a non-executive Director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the Director will retain such earnings.	The Trust does not have any such arrangements
Appendix B, para 2.3 (not in Schedule A)	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Compliant  See section 2.2 Governors report.
Appendix B, para 2.14 (not in Schedule A)	The Board of Directors should ensure that the NHS foundation Trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members who wish to communicate with governors and/or Directors should be clear and made available to members on the NHS foundation Trust's website and in the annual report.	Compliant  See section 2.2 on the role of Governors specifically in sections 2.2.12 and 2.2.13 relating to the membership strategy and

Code section	Summary of requirement	Trust position
		membership engagement.
Appendix B, para 2.15 (not in Schedule A)	The Board of Directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the non-executive Directors, develop an understanding of the views of governors and members about the NHS foundation Trust, eg through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Compliant  See section 2.2.8 on governor engagement.
Additional requirement of FT ARM resulting from legislation	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the Directors to attend a governors' meeting for the purpose of obtaining information about the foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the foundation Trust's or Directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	The Governors have not exercised this power during the year.

#### 2.1.4 Statement of compliance with the NHS Constitution

The Board of Directors takes account of the NHS Constitution in its decisions and actions, as they relate to patients, the public and staff and is compliant with the principles, rights and pledges set out in the Constitution. However, the Trust recognises that it has not met all the NHS Constitutional Standards during 2023/24 in part due to the impact of industrial action by a range of health care professions.

#### 2.1.5 Statement on Directors' disclosures

The Annual Report is required to include a statement that for each individual, who is a Director at the time the report is approved, as follows:

- So far as each Director is aware, there is no relevant audit information of the which the (external) auditor is unaware; and

- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors have confirmed the above statement.

### **2.1.6 Declarations of interest**

The Trust holds a register of company Directorships and other significant interests, held by both Directors and governors, which may conflict with their management responsibilities. The Audit Committee receives an Annual Report on Board Declarations and the process to mitigate any potential conflicts. Complementing this the Council of Governors receives an Annual report on Governors Declarations in the public part of its meeting.

No Board Member has declared any significant commitments that require disclosure or any management actions.

The register of these interests is made publicly available on the Trust's public website. The register can be found at [Board Register of Interests 2023-2024 - University Hospitals Sussex NHS Foundation Trust \(uhsussex.nhs.uk\)](https://www.uhsussex.nhs.uk/Board-Register-of-Interests-2023-2024)

In line with the standard contract for NHS Services each Trust is required to report on the level of staff required to make an annual declaration that have made such a declaration. For 2023/24 1262 / 1410 of the required staff made their declaration recognising that the majority of staff made a nil return. Of those who did not provide a return none have any budgetary responsibilities.

### **2.1.7 NHS Oversight Framework**

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

- b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation Trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

University Hospitals Sussex NHS Foundation Trust is in Segment 3, noting that whilst there have been no enforcement actions taken against the Trust the Trust has entered into a series of licence undertakings with NHS England. These undertakings cover an agreement to improve operational performance and make improvements to the Trust's quality governance processes. Operational performance improvements have been overseen by both the Board's Systems and Partnerships Committee and through the Tier 1 (RTT and Cancer) meetings with NHS England. Quality governance improvements are overseen by the Quality and Safety Improvement Programme Committee.

This segmentation information is the Trust's position as at March 2024. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS England website:  
<https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

### **2.1.8 NHS England Well led framework**

The CQC undertook a Well Led review in early October 2022 and the report was issued in May 2023 resulting in a rating of inadequate. This report made 13 recommendations, 8 categorised as must do and 5 categorised as should do. The must do actions cover three areas:

- supporting staff to speak up and to take swift action based on this feedback;
- improve the medical staffing levels within surgery and
- make improvements based on the Trust's Workforce Race Equality Standards information.

Each of these areas for improvement identified by the CQC were reflected within the Trust's existing strategic improvement priorities for 2022/23 to 2023/24 with progress with each improvement priority overseen by a Board Committee. Whilst each improvement programme is reported to a Board Committee a specific improvement tracking plan was developed aligned to each of the 13 CQC recommendations which is reported directly to the Board. Latterly in 2023/24 the oversight of the completion of these recommendations was overseen by the Quality and Safety Improvement Programme Committee which concluded that progress had been made against each recommendation. The Board also recognised that the underlying causes of some of the reported deficiencies related to culture and working practices, so this was built into the Quality and Safety Improvement Programme, especially in respect of improving safety culture workstream led by the Chief Executive supported by the Chief Culture and Organisational Development Officer.

### 2.1.9 Emergency Preparedness, Resilience and Response

The past year has continued to see unprecedented pressure on all areas of the Trust due to a variety of reasons, including supporting Industrial action planning and controls. The Emergency Preparedness, Resilience and Response (EPRR) team are working to ensure that the Trust's Emergency Planning and Business Continuity arrangements are compliant with the Emergency Preparedness, Resilience and Response Assurance Process and to ensure the Trust is ready and resilience to respond to any type of disruption or emergency event and minimise any impact on service delivery and the identified corporate critical activities.

The EPRR team has focussed on the following key areas:

- Risk
- Assurance
- Policies and Plans
- Business Continuity
- Training and Exercising

As a direct result of the EPRR team working extensively with NHS Sussex, the EPRR Assurance Process for 2023 ensured that UHSussex returned a 'substantially' compliant rating which was endorsed and validated by the NHS Sussex with recognition of the Trust EPRR team for the work undertaken to attain this rating and the development a comprehensive action plan going forward.

The EPRR team has ensured that the Trust has maintained a mature suite of policies and plans to deal with EPRR issues and specifically Business Continuity, Critical and Major Incidents as defined by the NHS England Emergency Preparedness Resilience and Response Framework. All Trust EPRR policies and emergency plans have been reviewed and continue to be updated to ensure that they are current and conform to current guidance and legislation and remain relevant to Trust's operations.

Three key emergency plans were identified as requiring additional work as part of the EPRR assurance process and individual working groups have been set up to ensure that this work is progressed over the 2024/25 year.

Business Continuity procedures continue to be embedded in the Trust with clear and comprehensive separate Business Continuity Management policy and Trust Business Continuity Plan providing a clear division between policy and operational plans. EPRR has been focusing on departments specifically affected by the IT Critical Incident in June 2023 and will continue to work through services and meet with identified leads to ensure that all plans are updated.

Following the restructure of the EPRR team, two members of the team have been able to focus specifically on Training and Exercising to progress and further enhance these areas and ensure that staff who are required to perform a specific role during an incident have received the necessary training for that role.

Key recommendations from the EPRR Annual Report for 2023 were:

- To work through the updated EPRR Work stream for 2024 to ensure that all EPRR Assurance advisories are completed prior to the 2024 Assurance.
- Continue to work with Lockdown Planning Group to progress the Lockdown Plan for UHSussex
- Continue to work with Fire Safety and Estates and Facilities to progress the Shelter and Evacuation Plan for UHSussex for completion for the 2024 EPRR Assurance
- Continue to work with the Mass Casualty Steering Group to progress and finalise the Trust Mass casualty Plan and action cards/departmental service plans for completion for the 2024 EPRR Assurance

Action plans for each of these recommendations have been developed with action owners with progress reported through the Health and Safety Committee.

#### **2.1.10 Membership engagement**

We have continued to keep under review the way we communicate with members and how we enable them to share their views.

Our e-newsletter, @UHSussex, is a popular channel for communicating with members. It contains news, event information, feedback methods and articles explaining how the Trust responds to suggestions from patients, carers and members.

In July 2023, we hosted our Annual General Meeting of the Council of Governors and Annual Members Meeting which was undertaken in the recently opened Louisa Martindale Building on the Royal Sussex County Hospital site. The Chief Executive, Dr George Findlay reflected on the previous year and then concluded with the presentation of the Trust's Annual Report and Accounts.

#### **2.1.11 Disclosures to Auditors**

The Directors are required under the NHS Health Service Act 2006 to prepare accounts for each financial year.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators, and stakeholders to assess the Trust's performance, business model and strategy.

Each Director of the Trust Board, at the time of approval of the Annual Report and Financial Statements, declares that:

- So far as they are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

### 2.1.12 Income Disclosures

The income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes. Income from goods and services not for the purposes of the health service in England is required to at a minimum cover the full cost of delivery of the goods and services. Any surplus from these activities is reinvested and supports the provision of goods and services for the purposes of the health service in England.

### 2.1.13 Political Donations

The Trust did not make any donations to political parties during the year.

### 2.1.14 Better Payments Practice Code

The Trust's measure of performance in paying suppliers is the Better Payment Practice Code (BPPC). The Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. In 2023-24 possible interest liabilities on invoices was £3,831k. The total amount of interest paid was £43k (see note 13.2 in the Notes to the Accounts)

<i>Measure of Compliance</i>	<i>2023/24 Number</i>	<i>2023/24 £'000</i>
<b>Non-NHS Payables</b>		
Total Non-NHS Trade Invoices Paid in the Year	272,2665	839,532
Total Non-NHS Trade Invoices Paid Within Target	244,913	751,707
Percentage of Non-NHS Trade Invoices Paid Within Target	90.0%	89.5%
<b>NHS Payables</b>		
Total NHS Trade Invoices Paid in the Year	5,158	294,412
Total NHS Trade Invoices Paid Within Target	4,718	291,718
Percentage of NHS Trade Invoices Paid Within Target	91.5%	99.1%

### 2.1.15 Pharm@Sea Limited

Pharm@Sea Limited is a wholly owned subsidiary of the Trust and provides an Outpatient Dispensing service. As a trading company, subject to an

additional legal and regulatory regime (over and above that of the Trust). A significant proportion of the company's revenue is internal trading with the Trust which is eliminated upon the consolidation of these group financial statements.

## **2.2 Governors' Report**

### **2.2.1 Council of Governors**

As a Foundation Trust University Hospitals Sussex has a Council of Governors (COG). The Board of the Trust is directly responsible for the performance and success of the Trust and satisfying the COG that the Board is achieving its aims and fulfilling its statutory obligations. Governors act as a vital link to the local community and report matters of concern raised with them to the Board, via Governor Patient Engagement and Experience Committee. Governors also participate in other activities in support of the Trust's work.

### **2.2.2 Role of Governors**

The COG has a number of statutory roles and responsibilities as follows;

- Appoint and, if appropriate, remove the Chair
- Appoint and, if appropriate, remove the other Non-Executive Directors
- Decide the remuneration and allowances and other terms and conditions of office of the chair and other Non-Executive Directors
- Approve (or not) any new appointment of a Chief Executive
- Approve and, if appropriate, remove the Trust's auditor
- Receive the Trust's Annual Accounts and Annual report at a general meeting of the COG
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Represent the interests of the members of the Trust
- Approve Significant Transactions as defined by NHS Improvement guidance
- Approve an application by the Trust to enter into a merger or acquisition
- Decide whether the Trust's non-NHS work would significantly interfere with its principal purpose; and
- Approve amendments to the Trust's Constitution

### **2.2.3 Composition of the Council of Governors**

Under the Trust's Constitution, an appointed Governor may hold office for a period of up to three years and at the end of each term they can, subject to satisfactory performance, be re-appointed for a further two terms of up to three years (i.e. 9 years in total).

The Council of Governors comprises the following Constituencies;

#### *Elected public governors*

The COG has 11 Governors (2 vacancies) elected from its membership that represent the public and patients including one Governor who represents patients who live out of the catchment area of the Trust. Public Governors are elected from within Local Authority areas. The number of elected Governors for each constituency is in proportion to the population within the area using the Trust's services.

<b>Area (constituency)</b>	<b>Number</b>
Adur	1
Arun	1
Brighton	2*
Chichester	2
East Sussex/Out of Area	1
Horsham	1
Mid Sussex	2*
Worthing	1
<b>Total Elected Public and Patient Governors</b>	<b>11</b>

\*Each area Includes one vacancy

#### *Staff Governors*

There are 5 staff Governors each drawn from one of the Trust's Hospital sites and elected by staff members from those areas.

<b>Professional Area</b>	<b>Number</b>
Royal Sussex County Hospital, Brighton	1
Worthing Hospital, Worthing	1
St Richard's Hospital, Chichester	1
Princess Royal Hospital, Haywards Heath	1
Peripatetic, Community	1
<b>Total Elected Staff Governors</b>	<b>5</b>

#### *Stakeholder (Appointed) Governors*

The Trust has a further five Governors who are appointed by partnership or stakeholder organisations.

<b>Partner/Stakeholder Organisation</b>	<b>Number</b>
West Sussex County Council	1
Brighton and Hove County Council	1
University of Brighton School of Nursing and Midwifery	1
Trust Inclusion Group	1
Voluntary Sector	1
<b>Total Partner/Stakeholder Governors</b>	<b>5</b>

**During the year 1 April 2023 to 31 March 2024 attendance at Council of Governor meetings was as follows:**

Constituency	Full Name	End of Term of Office	Number of COG meetings attended
<b>Elected Governors</b>			
Public – Adur	John Todd	30 June 2025	4 of 4
Public – Arun	Maria Rees	30 June 2025	4 of 4
Public – Brighton & Hove	Frances McCabe	30 June 2024	3 of 4
Public – Brighton & Hove	Frank Sims	30 June 2023	1 of 1
Public – Chichester	Linda Tomsett	30 September 2024	3 of 4
Public – Chichester	Maggie Gormley	30 September 2024	0 of 4
Public - Horsham	Paul Wayne	30 June 2024	0 of 4
Public - Mid Sussex	Doug Hunt	30 June 2024	4 of 4
Public – Worthing	Pauline Constable	30 June 2025	2 of 4
Public - East Sussex/Out of Area	Hazel Heron	12 April 2023	0 of 0
<b>Staff Governors</b>			
St Richard's Hospital	Joanne Norgate	31 October 2024	3 of 4
Royal Sussex County Hospital	Andrew Cook	30 June 2024	3 of 4
Worthing Hospital	Suzanne Shepherd	31 March 2026	2 of 4
Peripatetic	Miranda Jose is non voting	31 October 2024	4 of 4
Princess Royal Hospital	Claire Bewick-Holmes	30 June 2026	2 of 4
<b>Appointed Governors</b>			
Brighton & Hove City Council	Councillor Sarah Nield	6 May 2023	0 of 1
Brighton & Hove City Council	Councillor Bruno De Oliveira	7 August 2026	0 of 2
University of Brighton School of Nursing & Midwifery	Professor Kathleen Galvin*	31 March 2023	0 of 4
Voluntary Sector	Helen Rice	31 March 2024	4 of 4
West Sussex County Council	Councillor Alison Cooper	31 July 2024	4 of 4
Trust Inclusion	Kali Varadarajan	31 March 2024	2 of 4

### 2.2.4 Stakeholder (Appointed) Governors

The Trust has five appointed governors for the year these were Dr Varadarajan Kalidasan, representing Trust Inclusion Groups, Helen Rice, Voluntary Sector, Cllr Alison Cooper, West Sussex County Council and Professor Kathleen Galvin. Dr Varadarajan Kalidasan, Helen Rice, and Cllr Alison Cooper were reappointed for a further term at the meeting of the Council in February 2024. In May 2023 Cllr Sarah Nield from Brighton and

Hove City Council resigned as an appointed Governor for the Trust and was replaced by Cllr Bruno De Oliveria.

### 2.2.5 Elected Governors.

In March 2023 elections were held for the constituencies of Brighton and Hove, Mid Sussex and the position of Staff Governor at Princess Royal Hospital following the resignation of Christopher Pobjoy in February 2023. These elections returned Colin Holden for Mid Sussex and Claire Bewick-Holmes for Princess Royal Hospital.

### 2.2.6 Governor expenses

The Trust is required to disclose the value of expenses claimed by the Council of Governors during the financial year.

<b>Governor expenses</b>	<b>1 April 2023 to 31 March 2024</b>	<b>1 April 2022 to 31 March 2023</b>
Total number of governors in office (as at 31 <sup>st</sup> March)	19	20
Number of governors receiving expenses	6	3
Aggregate sum of expenses paid to governors	£3,312.64	£839.07

The increase reflects both the continued move back to in person meetings but also the increasing involvement of the governors within hospital activities such as Patient Led Assessments of the Care Environment.

### 2.2.7 Lead Governor

NHS Improvement (NHSI) now NHS England requires that a Council of Governors elects a Lead Governor to be the primary link with the Foundation Trust. A Lead Governor is elected by the full Council and would also be the formal link to NHS England if circumstance required direct communication between the Council of Governors and the Regulator. Linda Tomsett, Public Governor for the constituency of Chichester was elected by the full Council and has remained in the role of Lead Governor from October 2022.

### 2.2.8 Governor engagement

There were four Council of Governors meetings held in public in the year. The public were invited to attend the Council of Governor meetings in person but a link to view the meeting remotely was also provided. The agenda at each meeting includes reports from Governors in respect of their work on the Governor Committees and working groups. They also receive regular presentations from the Non-Executive Directors on their work and that of the Committees which they Chair. The Council also receive regular reports in respect of the Trust's financial and operational performance along with the Trust's delivery of its quality priorities.

In addition, the Board and Council met together to discuss key issues and developments. These meetings are augmented by assurance meetings held in private between the Governors and Non-Executive Directors only. In

addition, the Chair and Chief Executive have held a number of briefing sessions for Governors during this financial year.

To support Governors in their role the Trust runs Governor Briefings on areas of interest. This year these included presentations on the Trust's Green Plan, CQC, Clinical Strategy, Community Diagnostic Centre, Electronic Patient Records, Research and Innovation, Cancer Centre Development, Sussex Shared Delivery Plan and Stroke Service Reconfiguration.

The Council of Governors has both an active Membership Committee and Patient Engagement and Experience Committee. The Council also has a Nomination and Remuneration Committee which meets as required during the year.

Governors are involved in many aspects of the Trust including improvement programme workgroups, Trust conferences, Stakeholder meetings, and undertaking PLACE visits.

### **2.2.9 Holding the Non-Executive Directors to account for the performance of the Trust Board**

Governors have an important role in making an NHS Foundation Trust publicly accountable for the services it provides. They bring valuable perspectives and contributions to its activities. Importantly, Governors are expected to hold Non-Executive Directors to account for the performance of the Trust Board of Directors and the following sets out the principles of how Governors discharge this responsibility.

- To ensure that the process of holding to account is transparent and fulfils the statutory duties of the Council of Governors.
- To share successes and discuss any concerns that NEDs or Governors have.
- To reflect the NHS Improvement guidance that Governors should, through the NEDs, seek assurance that there are effective strategies, policies and processes in place to ensure good governance of the Trust.
- To work effectively together and make the best use of the time NEDs and Governors have together.

The Governors discharge this function through regular reports from the NEDs to the Council on their role as Committee Chairs and through the scheduled meetings held in private between the Governors and Non-Executive Directors only.

At no time during the period has the Council of Governors exercised its formal power to require a Non-Executive Director to attend a Council meeting and account for the performance of the Trust Board.

### **2.2.10 Appraisal and appointments**

It is the responsibility of the Council of Governors to appoint the Chair and other Non-Executive Directors and to oversee the appraisal process of the Chair and Non-Executive Directors.

The Governors Nomination and Remuneration Committee (GNaRC) oversee these processes on behalf of the Council. The Chair and other Non-Executive Director appraisals for 2022/23 have been undertaken and reported to the GNaRC on 15 June 2023 who then reported to the full Council in public on the 17 August 2023. The appraisals for 2023/24 are scheduled to report to the Committee in late May 2024.

The Governors Nomination and Remuneration Committee during 2023/24 received the:

- Chair and NEDs appraisals;
- The outcome from the recruitment process for new Non-Executive Directors (NEDs); and
- The outcome of the recruitment process for the new Trust Chair.

It is the responsibility of the Governor Nomination and Remuneration Committee, with the Chair of University Hospitals Sussex NHS Foundation Trust, to consider appropriate Non-Executive Director (NED) succession planning. This was considered as part of the determination of the non-executive skills and attributes that supported the NED recruitment process. The Committee also supported the Senior Independent Director in developing the skills and attributes required of potential candidates for the Trust Chair ahead of the recruitment that took place in the latter part of 2023/24.

### **2.2.11 Membership Strategy**

The Trust currently has a Membership Strategy for the period 2021 to 2024, which is updated annually with the help of the Governor's Membership Engagement Committee. This strategy acknowledges that it is a responsibility of a Foundation Trust to recruit, communicate and engage with members as a means of ensuring service provision meets the needs of service users. The Trust's strategy aims to recruit a representative membership base that is actively engaged in working for the good of the Trust. It also considers and monitors engagement levels through annual surveys and by tracking response rates to in year activity. Other work includes targeting specific groups of members to ensure that the Trust membership is representative of the population it serves.

The Trust's Membership Strategy is supported by a full action plan which outlines how the strategic aims will be implemented and the objectives of the strategy achieved. Performance against this Strategy will be overseen by the Council's Membership Engagement Committee.

### 2.2.12 Keeping in touch with members

Governors are accessible to members via email and at the regular Council of Governors meetings. They also attend our Expert Talks and other public events (see Stakeholder Relations) and play an important role in recruiting new members. The Council was able to recommence membership engagement events with other organisations and the ICB. These events allow Governors to describe the role of a Trust member and gather feedback on services across the Trust and its future plans. All feedback is then shared with our Patient Engagement and Experience Committee to help us continue to improve services.

Governors can be contacted via a Trust generic email address which is advertised on the Trust website and through other communications sent to members.

An individual must be at least 16 years old to become a member of the Trust. At the 31 March 2024 the Trust had 8487 public members, the table below summaries the constituencies these fall within.

<i>Public Constituency</i>	<i>Membership as at 31 March 2023</i>	<i>Membership as at 31 March 2024</i>
Adur	1047	1033
Arun	2224	2190
Brighton and Hove	509	585
Chichester	1886	1868
Horsham	580	571
Mid Sussex	208	235
East Sussex	180	209
Worthing	1321	1339
Patient/Out of Area	417	457

All staff are automatically enrolled as members on starting employment with the Trust.

### 2.2.13 Disclosures and declarations of interests

The Chair of the Council of Governors has not declared any other significant commitments that require disclosure. The Chair submits an Annual Declaration of Interest Statement and Fit and Proper Person Declaration.

Governors are required to complete a Declaration of Interest which is held on a Trust Register and is made publicly available on the Trust's website. This is available at [Governors Register of Interests 2023-2024 - University Hospitals Sussex NHS Foundation Trust \(uhsussex.nhs.uk\)](https://www.uhsussex.nhs.uk/governors-register-of-interests-2023-2024)

### 2.2.14 Resolution of disputes

The Trust Constitution sets out at Section 12 the process for dealing with any dispute between the Council of Governors and Trust Board. The Council of Governors and Trust Board continue to have a positive working relationship and the process has not been used during the 2023/24 year.

## 2.3 Staff Report

University Hospitals Sussex NHS Foundation Trust employs nearly 20,000 people in a range of different roles across the organisation. By the end of March 2024, we employed 15,152 WTE substantive staff and engaged an additional 1,881 WTE temporary staff via bank and agency. Each and every member of our staff works to ensure our patients receive excellent quality care.

Our staff continue to consistently demonstrate their willingness to go over and above to ensure high quality care is delivered to the people of Sussex. We ensure that we take opportunities to thank our staff in a variety of ways including Star of the Month awards, an annual staff award ceremony and long service awards.

### Average number of employees (WTE basis not actual staff employed) (subject to audit)

Average number of employees (WTE basis) Staff type	2023/24 31 March 2024			2022/23 31 March 2023		
	Permanent	Other	Total	Permanent	Other	Total
Medical and dental	2,387	505	2,892	2,269	148	2,417
Ambulance staff	10	N/A	10	12	N/A	12
Administration and estates	3,031	149	3,180	2,840	138	2,978
Healthcare assistants and other support staff	1,084	204	1,288	965	170	1,135
Nursing, midwifery, and health visiting staff	6,332	947	7,279	6,251	899	7,150
Nursing, midwifery, and health visiting learners	N/A	N/A	N/A	N/A	N/A	N/A
Scientific, therapeutic, and technical staff	1,782	62	1,844	1,769	67	1,836
Healthcare science staff	526	9	535	476	3	479
Social care staff	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	5	5	7	N/A	7
<b>Total average numbers</b>	<b>15,152</b>	<b>1,881</b>	<b>17,033</b>	<b>14,589</b>	<b>1,425</b>	<b>16,014</b>
Of which:						
Number of employees (WTE) engaged on capital projects	39	16	55	53	17	70

### Staffing costs (subject to audit)

Group £000	2023/24			2022/23
	Permanent	Other	Total	Total
Salaries and wages	762,042	N/A	762,042	722,658
Social security costs	85,652	N/A	85,652	76,558
Apprenticeship levy	3,840	N/A	3,840	3,439
Employer's contributions to NHS pension scheme	123,070	N/A	123,070	113,966
Temporary staff	-	31,460	31,460	42,620
<b>Total gross staff costs</b>	<b>974,604</b>	<b>31,460</b>	<b>1,006,064</b>	<b>959,241</b>
<b>Of which</b>				

<b>Group</b>	<b>2023/24</b>			<b>2022/23</b>
	<b>£000</b>	<b>Permanent</b>	<b>Other</b>	<b>Total</b>
Costs capitalised as part of assets	2,506	1,514	4,020	5,157

### 2.3.1 Diversity and inclusion policies, initiatives and longer term ambitions

Our vision is for equality, diversity and inclusion to be a 'golden thread' running through, and central to, how we work together to provide sustainable, high-quality patient-centred care for all people we serve.

Diversity and inclusion is a core element of the NHS People Promise (2021) and NHS Constitution (2009) pledges to the workforce, and is a core Trust Value. The Trust approved a Three-Year Equality, Diversity & Inclusion (EDI) Strategy in December 2022. The associated programme of work was realigned in 2023 to reflect the publication of the national NHS Equality, Diversity & Inclusion (EDI) Improvement Plan and Six High-Impact Actions (HIAs), summarised in the *Equalities Milestones 2023-2025* table below.

The Trust EDI programme forms part of the Leadership, Culture & Development (LCD) Strategic Initiative. This designation provides enhanced support, visibility and monitoring, including through the Trust SDR (Strategy Deployment Review) process and directly to the People & Culture Committee. In addition, the programme reports to NHS Sussex People Delivery Board and supports delivery of the Sussex Health & Care Workforce Race Equality Strategy (2023), People Plan (2023) and Improving Lives Together: Our Ambition for a Healthier Future in Sussex strategy (2023).

Our vision is intended to provide a focus for the delivery and development of all our services as follows:

#### Our patients and service users:

- Have confidence their individual needs and beliefs are taken seriously, and they are treated with dignity and respect.
- Know their individual life chances and wellbeing are enhanced by the Trust's commitment to Equality, Diversity and Inclusion.
- Are happy to choose, to use and to recommend the organisation.

#### Our staff:

- Feel valued and fairly treated in an organisation that really cares.
- Know the Trust as an organisation that people want to come and work for, stay with and thrive in, because of its commitment to Equality, Diversity and Inclusion.
- Are proud to work in an open and inclusive organisation.

#### Our communities:

- Are assured that the Trust engages with the diverse communities based on mutual interest and respect.

- Have confidence that the Trust is active in tackling inequality, making services accessible, solving problems, delivering solutions and willing to learn.
- Know that the Trust is responsive to the challenges faced by people in relation to diverse needs and communicates appropriately.

#### **Our organisation:**

- Lives its values consistently across all sites.
- Demonstrates long-term, consistent commitment to Equality, Diversity and Inclusion for the people it serves.
- Is a positive, innovative and 'can do' place to be.

Our Equality, Diversity and Inclusion policies and practices are all aimed to support our vision where regardless of their connection with our organisation, everyone has a lived experience which is free from discrimination, harassment and abuse.

We take our duties and responsibilities as an inclusive employer in the public sector, and more specifically in the NHS, very seriously. As a public sector organisation extra care is taken to monitor decisions that could unfairly affect any particular protected characteristic of staff, carers, volunteers, patients and their families.

We also really value the work of our many volunteers across the Trust who are integral to our workforce, have very diverse backgrounds and support our equality agenda.

#### **Data Analysis**

The full analysis of Trust diversity data will be provided in the Trust 2023/24 Annual Equality Report.

The NHS uses a range of measures to track progress on workforce equality, including the Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES). These are informed by the annual National Staff Survey and data extracted from the Trust Electronic Staff Record (ESR) and other workforce systems to benchmark against core equality and diversity indicators. The data then inform Action Plans to plan and progress activities to reduce discrimination and promote equality.

The Trust WRES data for 2023/24 showed that:

- White staff were 4.76 times more likely to be represented in senior (AfC bands 8+) clinical Agenda for Change roles than minoritised ethnic staff, relative to their representation in lower bands (AfC bands 1-5). This is about the same as last year. It is lower (**better**) than the peer average for 2023 of 5.4 times and higher (**worse**) than the national median of 3.5 times.
- White staff were 3.42 times more likely to be represented in senior (AfC bands 8+) non-clinical Agenda for Change roles than

minoritised ethnic staff, relative to their representation in lower bands (AfC bands 1-5). This is higher (**worse**) than last year at 1.8 times. It is higher (**worse**) than the peer average for 2023 of 1.4 times and higher (**worse**) than the national median of 1.5 times.

- White doctors were 3.68 times more likely to be represented as consultants than minoritised ethnic doctors, relative to their representation in non-consultant career grade (NCCG). This is higher (**worse**) than last year at 2.9 times.
- Minoritised ethnic staff were 1.39 times more likely to enter the formal disciplinary process compared to white staff. This is almost the same as last year (1.37). It remains above (**worse**) the national target range upper limit of 1.25.
- Minoritised ethnic staff were just as likely (0.83 times) as white staff to access non-mandatory training. The target range is 0.8 to 1.25 times.
- In the 2023 NHS Staff Survey three out of four WRES metrics showed improved scores from 2022, and three out of four metrics showed better results than the national benchmark median:
  - 33.1% of staff from minoritised ethnic backgrounds reported one or more incidents of harassment, bullying or abuse from patients, relatives, or members of the public compared to 29.5% of white staff. This has **improved** from last year for both minoritised ethnic staff and white staff (38.1% and 26.9% respectively in 2022), and the gap in scores between minoritised ethnic and white staff (3.5% points) is now closer to the gap in national average scores (3.4% points). Violence Prevention & Reduction is a priority for the Trust.
  - Minoritised ethnic staff and white staff reported similar experiences of harassment, bullying or abuse from staff, with 23.4% of minoritised ethnic staff reporting this compared to 22.9% of white staff. This has **improved** from last year for both minoritised ethnic staff and white staff (27.8% and 25% respectively in 2022) and the gap in scores between minoritised ethnic and white staff (0.5% points) is less (**better**) than the national average (3.8% points).
  - 15.3% of minoritised ethnic staff reported a higher incidence of harassment, bullying or abuse from their manager, team leader or colleagues than the 7.4% of white staff. While this has remained largely **unchanged** from last year (16.2% minoritised ethnic and 8% white), the gap in scores between minoritised ethnic and white staff (7.9% points) is less (**better**) than the national average (9.4% points).

- Fewer minoritised ethnic staff (51.5%) believed the organisation provides equal opportunities for career progression compared to white staff (54.8%). This has **improved** from last year (49.6% minoritised ethnic and 54.3% white) and the gap in scores between minoritised ethnic and white staff (3.3% points) is less (**better**) than the national average (9.2% points).

The Trust WDES data for 2023/24 showed that:

- Disabled agenda for change staff were just as likely to be represented in higher paid clinical and non-clinical roles than non-disabled staff, relative to their representation in lower paid bands. The relative likelihoods all fall within the national target range of 0.8-1.25 (good).
- Disabled doctors were 1.66 times less likely to be represented in non-consultant career grades than non-disabled doctors, relative to their representation in medical trainee grades. This is higher (worse) than last year at 0.99 times.
- Disabled doctors were 1.4 times less likely to be a consultant than non-disabled doctors, relative to their sizes within non-consultant career grades (NCCG). This is lower (better) than last year at 2.2 times.
- In the 2023 NHS Staff survey, two out of nine WDES metrics showed improved scores from 2022, and three out of nine metrics showed better results than the national benchmark average:
  - 36.5% of disabled staff reported experiencing harassment, bullying or abuse from patients, relatives or the members of the public compared to 28.1% of staff without a disability. Scores for both groups **improved** from last year: 38.6% disabled and 31.4% non-disabled. The scores for both groups were higher (**worse**) than the national averages of 30.4% disabled staff and 23.8 non-disabled.
  - 15.5% of disabled staff reported experiencing harassment, bullying or abuse from managers, compared to 8.4% of staff without a disability. Scores for both groups **improved** from last year and are close to the national averages.
  - 26.4% of disabled staff reported experiencing harassment, bullying or abuse from colleagues compared to 16.3% of staff without a disability. Scores for both groups **improved** from last year and are close to the national averages.
  - 49.4% of disabled staff believe the organisation provides equal opportunities for career progression, compared to

55.4% of staff without a disability. The disparity between disabled staff and staff without a disability has increased in 2023, due to both improved scores for staff without a disability and somewhat poorer scores for disabled staff. Staff were less likely to report believing in equal opportunities for career progression and promotion than the national benchmark average, regardless of disability status.

- 28.3% of disabled staff reported having felt pressure from their manager to come to work despite not feeling well enough to perform their duties, compared to 19.4% staff without a disability. This has **improved** from last year with scores close to the national averages.
- 30.2% of disabled staff reported having felt the Trust valued their work, compared to 41.8% of staff without a disability. While scores for both groups **improved** from last year, they respectively remain lower (**worse**) than the national averages.
- 73.7% of disabled staff reported reasonable adjustments being made to enable them to work, largely **unchanged** from last year and slightly better than the national benchmark average (73.3%).
- Disabled staff had a lower score (6.29) for the staff engagement theme than staff without a disability (6.81). While scores for both groups improved from 2022, they respectively remain lower (**worse**) than the national benchmarks.
- None of the 20 Executive and Non-Executive Board members shared a disability status on their staff record. Nine Board members (45%) selected either “Not Declared” or, “Unspecified” on their electronic staff record. One board member was not employed by the Trust and had no personnel information available.

### NHS Staff Survey 2023: Equalities Lens

Overall, there was a marginal improvement in the Diversity & Inclusion People Promise (< 1%). The Trust remains below the NHS benchmark average, but narrowed the gap slightly in 2023 compared to the previous year.

A number of questions in the Staff Survey address experiences related to non-discrimination and equality. Results showed:

- a reduction in the proportion of staff who reported experiencing discrimination from colleagues or managers in the previous 12 months (to 9.2%) but an increase in the proportion of staff who had personally experienced discrimination from patients (to 10.2%)

- small improvements in the proportion of staff who reported the organisation respects individual differences (to 66%) and that career progression is fair (to 54%), although both remain below the NHS benchmark average.

Using enhanced data analytics, local teams are reviewing their results against Trust and national benchmark data to identify key priorities for action and opportunities for improvement. Corporate priorities for 2024/25 are identified below.

### **Staff Networks**

Our Staff Networks are groups of colleagues with a shared heritage, experience or characteristic, who come together to support each other and work with the organisation to improve staff experience. In volunteering their time, members make a significant contribution to the work and life of the Trust, represent the Trust as an employer of choice to our communities, and benefit the retention of our existing staff.

The NHS People Plan (2020) commits NHS organisations to embedding Staff Networks within organisational governance and to enabling Networks to contribute to and inform decision-making processes. In September 2023 the Trust refreshed its commitment to its Staff Networks, including its recognition principles. The Trust now has eight Staff Networks, reflecting commitments under the Equality Act 2010 and from Reserve Forces legislation and the Armed Forces Covenant. This includes two new Networks established in 2024, and the strengthening of existing Networks. Each Staff Network has an allocated Board Sponsor to support the Network Chair and Network development. Staff Network Chairs meet periodically through the Equality Stakeholder Group, and are supported by the corporate EDI (Equality, Diversity & Inclusion) Team.

The Networks key achievements in 2023/24 are summarised below:

#### **Carer's Network**

- This new Network was established in March 2024, sponsored by the Chief Nurse. A staff member Chair has been selected. Although a new Network, it already has 43 members.

#### **Disabled Staff Network (DSN)**

- Over 160 active members of the Disabled Staff Network meet virtually every month, led by a staff Chair. Developments have included the launch of a new Staff Health & Wellbeing Passport, and agreement of a new Disability Leave policy.
- Sponsored by the Chief People Officer and with financial support from My University Hospitals Charity, the DSN ran the Trust's first Disability Awareness Conference in March 2024. Over 300 staff attended plenary and breakout topics included 'Addressing Disability

Employment Disadvantage', 'Neurodiversity at Work' and 'Access to Work'.

- Diverse groups from within the Trust and the local communities staffed stalls, including Speak Out, UNISON, Carers Centre for Brighton & Hove, RNID, Sight Loss Councils, and Team Dominica. The Trust Volunteering Services team brought Meg, the Pets As Therapy (PAT) dog, to meet attendees.

#### **LGBTQI+ Network**

- The 520 members of the LGBTQI+ Network, with the sponsorship of the Chief Operating Officer, selected a new staff Chair this year. With support from My University Hospitals and legacy Charities, the Network ran a successful Prides programme in Summer 2023. The Trust and Staff Network participated in Worthing Pride, Brighton & Hove Pride, and Chichester Pride, with opportunities to promote employment, volunteering and charitable opportunities at the Trust, and to talk to local communities. The Network meets monthly online, providing a safe and supportive space for members.

#### **Trans & Non-Binary Network**

- The Trans & Non-Binary Group has over 110 members and meets periodically for informal peer support, networking and shared learning, and to support Trust work as an inclusive employer and care-provider.

#### **SOAR BAME Network**

- The SOAR Network for staff from minoritised ethnic backgrounds is sponsored by the Trust Chief Executive. Its more than 260 members selected a new Chair in December 2023, who has established regular monthly hybrid in-person/online meetings across the Trust's main sites. Members have actively contributed to anti-discrimination work.
- SOAR Staff Network members ran a successful programme of events to mark Black History Month in October 2023, supported by My University Hospitals Sussex Charity and NHS Sussex ICB partners. This included a session led by Cuthbert Williams MBE, co-founder of Brighton & Hove Black History Group, veteran and NHS retiree. Staff workshops included 'Black Haircare and Skincare' for patients.
- The Network, Trust senior sponsors/champions and Trust EDI Team also ran a programme of activities for Race Equality Week in February 2024, which engaged staff in thinking about and committing to action on race equality in the workplace under the theme #ListenActChange.

### Women’s Network

- Over 45 staff attended the launch event, or signed up as members, for the Women’s Network in March 2023, coinciding with the Trust’s celebration of International Women’s Day. Members selected a Chair and will focus on advancing gender equality at work. The Network is jointly sponsored by the Chief Medical Officer and Chief Financial Officer.

### Armed Forces Network / Community

- The Network had another busy year, including completion of the commemorative garden at Southlands Hospital, designed by former doctor and award-winning landscaper Juliet Sargeant, project managed by network member Coco Highton, and with support from My University Hospitals Sussex and the League of Friends charities, and with fundraising by Network members. The garden will formally be opened in June 2024.
- Network members also competed in the Medical Endeavour inter-NHS friendly challenge, in association with 256 Field Hospital in Kingston-upon-Thames. The day included negotiating a pretend 'minefield' unsighted, changing a tyre on a jeep, and wielding a mock 'field gun' across an assault course.
- The Armed Forces Community successfully maintained the Trust’s Veteran Aware status.

### Equalities Milestones 2023-2025

The Trust’s Equalities Milestones are aligned to the national NHS Equality, Diversity & Inclusion (EDI) Improvement Plan and Six High-Impact Actions:

High Impact Action (HIA)	2023/24 Achievements	2024/25 Priorities
<p><b>HIA1: Leadership and Accountability</b></p> <p><i>“Chief executives, chairs and board members must have specific and measurable EDI objectives to which they will be individually and collectively accountable”</i></p>	<ul style="list-style-type: none"> <li>• Established Women’s Network, and the Carers Network, and re-established the LGBTQI+ Staff Network, and SOAR (BAME) Staff Network</li> <li>• HIA workshop series with executives, NEDs and Governors in July-August 2024</li> <li>• Agreed Trust Board sponsorships of Staff Networks</li> <li>• Ran a programme of events:                             <ul style="list-style-type: none"> <li>• LGBTQI+ Prides 2023</li> <li>• Black History Month 2023</li> <li>• Race Equality Week 2024</li> <li>• Disability Conference 2024</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Agree 2024/25 individual equality objectives for Board members</li> <li>• Refresh the Trust Equality and Health Inequalities impact assessment toolkit, lined to risks identified in the Board Assurance Framework (BAF)</li> </ul>

High Impact Action (HIA)	2023/24 Achievements	2024/25 Priorities
<b>HIA2: Inclusive Recruitment and Talent Management</b>  <i>“Embed fair and inclusive recruitment processes and talent management strategies that target under-representation and lack of diversity”</i>	<ul style="list-style-type: none"> <li>• Job adverts additionally advertised via Staff Network media channels</li> <li>• Updated EDI content on Trust internet pages – more accessible information</li> <li>• Updated text in recruitment and selection materials to reflect the Trust’s values and commitment to equality and inclusion</li> <li>• Behavioural insights equalities reflection question added to application form</li> <li>• Launch of manager training</li> </ul>	<ul style="list-style-type: none"> <li>• Talent Management plan to improve the diversity of executive and senior leadership teams</li> <li>• Continue to widen recruitment opportunities within local communities through delivering the inclusive recruitment and selection plan</li> </ul>
<b>HIA3: Eliminate Pay Gaps</b>  <i>“Develop and implement an improvement plan to eliminate pay gaps”</i>	<ul style="list-style-type: none"> <li>• Ethnicity pay gap analysis</li> <li>• Pay gap by Division, Directorate and occupational group</li> <li>• Intersectional analysis (ie. multiple characteristics)</li> <li>• Flexible Working heat map</li> <li>• Pay Gap Improvement Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen flexible working application and recording processes and systems</li> <li>• Relaunch training and guidance on flexible working for managers</li> </ul>
<b>HIA4: Address Workforce Health Inequalities</b>  <i>“Develop and implement an improvement plan to address health inequalities within the workforce”</i>	<ul style="list-style-type: none"> <li>• Reviewed Reasonable Adjustment support and staff experience</li> <li>• New Reasonable Adjustment and Access to Work flowcharts launched for staff and managers</li> <li>• Staff Health &amp; Wellbeing Passport and guidance</li> </ul>	<ul style="list-style-type: none"> <li>• Progress the proposal for centralised Reasonable Adjustment funding and panel</li> </ul>
<b>HIA5: Support International Recruits</b>  <i>“Implement a comprehensive induction, onboarding and development programme for internationally-recruited staff”</i>	<ul style="list-style-type: none"> <li>• Train-the-trainer training on cultural awareness for managers of internationally-recruited nurses/clinicians undertaken by the EDI Team</li> </ul>	<ul style="list-style-type: none"> <li>• Review existing guidance on immigration policy, family members, financial commitment and career options</li> <li>• Review existing onboarding programmes for different occupational groups and implement an improvement plan</li> <li>• Roll out a programme of cultural awareness training for line managers of international recruits</li> </ul>
<b>HIA6: Eliminate Discrimination</b>  <i>“Create an environment that eliminates the conditions in</i>	<ul style="list-style-type: none"> <li>• Discrimination review and Anti-Discrimination Plan</li> <li>• Disciplinary and employee relations parity review</li> </ul>	<ul style="list-style-type: none"> <li>• Staff domestic abuse and sexual violence protections review</li> <li>• Implement Anti-Discrimination Plan</li> </ul>

High Impact Action (HIA)	2023/24 Achievements	2024/25 Priorities
<i>which bullying, discrimination, harassment and physical violence at work occur"</i>	<ul style="list-style-type: none"> <li>Speaking Up access and equity review</li> <li>Staff Psychological Support Service equity and access review</li> </ul>	

### 2.3.2 Gender and Gender Pay Gap

Gender Pay Gap reporting shows the difference in average hourly pay and bonus payments between men and women. The Trust is required to analyse the information to identify:

- the level of gender equality.
- the balance of male and female employees in each of four salary range quartiles.
- how effectively talent is being maximised and rewarded.

and to use this to identify any underlying root causes for the gender pay gap and put in place remedial actions to address and mitigate this.

The Trust submits data annually to the Government's statutory gender pay gap reporting portal.

The gender split within the overall workforce on 31<sup>st</sup> March 2024 was 72.3% female and 28.4% male. The proportion of males and females divided into four quartiles ordered from lowest to highest paid and is detailed in the table below is as follows:

Quartile	Gender	Number of employees	% of Employees
1 (lowest paid)	Female	3,169	70.61
	Male	1,319	29.39
2	Female	3,371	74.99
	Male	1,124	25.01
3	Female	3,522	78.37
	Male	9,72	21.63
4 (highest paid)	Female	2,803	62.36
	Male	1,692	37.64
Totals	Total female staff	<b>12,865</b>	<b>71.58</b>
	Total male staff	<b>5,107</b>	<b>39.70</b>

Looking at the distribution of male and female staff across pay bands, male staff were 2.2 times more likely to be represented in the top pay quartile than female staff, relative to the male and female staff in the middle-upper pay quartile. Similarly, male staff were 1.5 times more likely to be represented in the top pay quartile than female staff, relative to the male and female staff in the lowest pay quartile.

Comparing mean (average) hourly wages, women earned eighty-three pence for every £1 men earned, one penny less (worse) than in 2023. Comparing median hourly wages (accounting for outliers), women earned ninety-eight pence for every £1 men earned, two pence less (worse) than in 2023.

Gender Hourly Pay Gap	Mean Hourly Pay		Median Hourly Pay	
	2023	2024	2023	2024
Male	22.26	24.01	16.84	18.10
Female	18.73	19.97	16.84	17.69
Difference	3.53	4.04	0.00	0.41
Pay Gap %	15.86%	16.83%	0.00%	2.29%

706 staff received a bonus payment between 1 April 2023 and 31 March 2024: 310 women and 396 men. Women earned the same as men in median bonus pay, as in the previous two years. When comparing mean bonus pay, women earned sixty-nine pence for every £1 men earned, five pence more (better) than last year.

Gender Bonus Pay Gap	Mean Hourly Pay		Median Hourly Pay	
	2023	2024	2023	2024
Male	9,658.62	9,600.89	4,396.06	4,795.08
Female	6,157.81	6,591.38	4,396.06	4,795.08
Difference	3,500.80	3,009.51	0.00	0.00
Pay Gap %	36.25%	31.35%	0.00%	0.00%

The Trust’s information on equality and gender pay gap reporting can be found at [www.uhsussex.nhs.uk/equality](http://www.uhsussex.nhs.uk/equality) The latest published Gender Pay Gap information for the Trust can be found at: <https://gender-pay-gap.service.gov.uk/employers/21657>

### 2.3.3 Strategies and Processes applied in respect of Health and Wellbeing

#### Health & Wellbeing Strategy

In November 2022 the Trust agreed a Three-Year Health & Wellbeing Strategy, with an integrated, stratified programme of services and activities from Mental Health & Psychosocial Support for staff in immediate need, to preventative and remedial interventions to address Violence & Aggression, Health Promotion and Wellbeing Support, and ensure a healthy physical workplace. The programme is also supported by staff-led groups and activities, and the Trust plays a role as an Anchor Institution in its local communities (Public Services (Social Value) Act 2012).



2023/24 therefore represented the first year of the strategy. Key achievements are summarised below. In November 2023, the People & Culture Committee approved the updated Year 2 Delivery Plan.

### **NHS Staff Survey Results 2023: Health & Wellbeing Lens**

Overall, the 2023 Staff Survey results showed improvements in key health and wellbeing questions:-

- The proportion of staff reporting positive organisational action on Health & Wellbeing increased by 4% (to 51%), and the proportion of staff reporting their manager takes a positive interest in their health and wellbeing is above (better than) the NHS benchmark average.
- The proportion of staff reporting the organisation was committed to Work-Home Balance increased by 4%. The proportion who believe they can achieve a good Work-Home Balance increased by 4% from 2022, and is above the NHS average. The proportion of staff reporting they are satisfied with opportunities for Flexible Working increased by 3% (to 57%), which is above the NHS average.
- Staff also reported improvements in individual health and wellbeing. The proportion of staff reporting they felt burnt out reduced by 4% - this may well be associated with the 6% improvement in the proportion of staff feeling there are enough staff (to 26%), although this remains below (worse than) the NHS average.
- The proportion of staff reporting personal experience of harassment or bullying from colleagues or managers in the previous 12 months fell in 2023 and is lower (better) than the NHS average – although no instance of bullying or harassment should be expected.

### **Mental Health & Psychosocial Support**

The Trust encourages a preventative and self-care approach to enable staff to access tools and guidance on healthy lifestyles and remain physically fit and psychologically resilient. The Staff Psychological Support Service (SPSS) aims to improve staff wellbeing, and provide confidential 'talking base' support for staff experiencing depression, anxiety or problems relating to stress and relationship difficulties, with the aim to remain in work or return to work whilst receiving support where appropriate and supportive to do so.

Within the reporting period there has been a total of 1,116 referrals to the service, an increase of 22% from 2022/23. This comprised 601 self-referrals, 470 third party management referrals, and 45 Occupational Health referrals. The demographics (protected characteristics) of staff using the SPSS service are monitored to ensure equitable access.

The SPSS team has provided 182 sessions of CBT (Cognitive Behaviour Therapy), 284 sessions of EMDR (Eye Movement Desensitisation and Reprocessing) therapy, 47 Team Debriefs and 489 hours of supervision. The service has also provided 23 Emotional Resilience and Stress Management preventative education workshops to build self-awareness and coping mechanisms.

### **Mental Health First Aid**

The Mental Health First Aid UK England course continued to run during 2023/24, delivered by the Thrive Team. This course aims to improve mental health first aid knowledge, reduce stigma, increase confidence in assisting someone with a mental health issue, and increase awareness of the signs and symptoms of someone suffering with their mental health.

96 staff completed the course in 2023/24, bringing the total staff trained in Mental Health First Aid to 386. Feedback from staff who attended the course include:

- “I really enjoyed the course and found the material really useful for my new role”
- “I have become much more aware of the causing factors and risks of not practising self-care. I am also much more confident in how I could deal with this and assist any colleagues or even myself who may be experiencing difficult periods”
- “This training has given me the confidence to support colleagues during mental health conversations and outlined my 'responsibilities' when doing so in terms of signposting and safeguarding, as appropriate.”

In 2024/25, the Health, Wellbeing & Engagement Team will be providing in-house delivery of Managing Mental Health & Wellbeing at Work training, with the aim of training a further 300 managers and leaders over the next three years. Peer support and skills updating will also be provided.

### **Violence Prevention & Reduction**

The results of the 2023 NHS Staff Survey show a small improvement (1.0%) in the rate of staff reporting of incidents of physical violence, and a reduction (3%) in the portion of staff who experienced harassment or bullying from patients. There was almost no change in the proportion of staff who experienced physical violence from patients (17.5%) – this is higher than the NHS sector average (13.3%). This remains a significant concern.

Staff reported increased rates of physical violence from colleagues (to 2.0%) and from managers (to 0.8%). The absolute number remains low, however no incident is considered acceptable, and all reported concerns are progressed through HR processes. A recent published study using NHS Staff Survey

data found that ~~that~~ experiencing physical violence increases the intention to leave by 10% points, and that verbal violence increases intention to leave by 21% points.

The Trust has an active programme of work to encourage staff reporting of instances of Violence & Aggression, including behaviour of an unwanted sexual nature. The data and reported staff experience are used to identify themes and areas of concern, and to take evidence-based, mitigatory and preventative measures. The Trust is also a signatory to the national NHS Sexual Safety in Healthcare Organisational Charter. This includes the commitment to a zero-tolerance approach to any unwanted, inappropriate and/or harmful sexual behaviours towards our workforce.

### Governance & Key Milestones

The Violence, Prevention & Reduction (VPR) programme forms part of the Leadership, Culture & Development (LCD) Strategic Initiative. This designation provides enhanced support, visibility and monitoring, including through the Trust SDR (Strategy Deployment Review) process and directly to the People & Culture Committee. In addition, the programme reports to NHS Sussex People Delivery Board, supporting delivery of the Sussex Health & Care Violence Prevention & Reduction Strategy 2025 (2023).

During 2023/24 the Trust VPR programme has completed reassessments against the NHS Staff Council Workplace Health and Safety Standards Section G, and the NHSE Violence, Prevention and Reduction Standard Framework Assessment (October 2023, March/April 2024). The Trust is currently reporting Partial Compliance. In the most recent reassessment (end March 2024), the number of Non-Compliant Factors reduced from six to zero, and the proportion of Fully Compliant factors increased from 30% to 47%. In particular, this reflects the launch of RLDatix incident reporting and data analytics tool in February 2024, and provision of integrated, streamlined reporting and analysis on incidents of V&A. The programme is therefore on track to achieve Full Compliance against the national NHS standards by December 2024.

Key achievements in 2023/24:

- Development of Patient Acceptable Behaviours Agreements (ABAs) protocol, which was launched in April 2024
- Introduction of a Standard for Staff Support following an incident of V&A, and follow-on individual feedback to ensure best practice and continuous improvement in supporting staff following incidents, including where this may constitute a Hate Crime
- Streamlined referral pathways into the Staff Psychological Support Service (SPSS) for staff who have been affected
- Preventative measures such as the CAIT (Communication & Interaction) Training for staff who care for patients with dementia.

## **Health Promotion & Wellbeing Support Cost of Living**

The Trust introduced targeted initiatives in 2023 to support staff with Cost of Living rises, recognising the link between financial worries and stress/anxiety and absenteeism. With funding from My University Hospitals Sussex Charity, the Trust introduced three Financial Wellbeing schemes, including the Crisis Support Fund, which awards crisis grants (of up to £500 in vouchers per year) for loss of income or an unexpected expense, and monthly £50 supermarket vouchers (up to £600 per year). In 2023/24, 608 of the 697 applications (87%) were supported with crisis grants or general cost of living awards to the value of £122,374.

The Trust is the first NHS organisation to partner with Credit Union to provide a dedicated Financial Wellbeing Support Officer based at the Trust. From July 2023 to March 2024, 1,633 staff have benefited from support on money management, including budgeting, advice on debt consolidation, NHS pensions process information, advice on accessing government entitlements, and signposting to a range of support services.

The Trust was also able to provide free tea, coffee and squash supplies to all departments in 2023. In addition, the Trust's Wellbeing website offers signposting on a range of financial wellbeing support, including salary sacrifice schemes and discounts.

## **Staff Wellbeing Hubs**

Wellbeing Hubs were open at three main sites in 2023, providing tea and coffee, decompression art supplies, a programme of activities, and signposting to wellbeing services. Thanks to My University Hospitals Charity, complementary massages for staff were also available via at the Wellbeing Hubs or within ward areas.

## **Healthy Physical Workplace**

The Trust continues to ensure staff have access to range of services to encourage healthy lifestyle choices, including on-site exercise classes, signposting to free NHS weight loss programmes, and smoking cessation and on-site stop smoking drop-ins. Staff can access free physiotherapy across all our sites, with advice and self-help tools available via the Trust intranet and new HR/People 'single portal' to provide easier access to relevant information.

The Trust Menopause Café launched in 2022. Currently it has 170 members. The café meets virtually on a quarterly basis with an average attendance of 50-60 staff members, chaired by a GP specialising in Women's Health. The Trust signed the Menopause Workplace Pledge in 2023 as a commitment to promote Menopause awareness and support staff with resources and reasonable adjustments. These are available in the Menopause Guidance on the Trust intranet.

A Trust-wide audit of core amenities for staff was launched in 2023 and continues into 2024/25. This project will help identify gaps in access to core staff amenities (toilets, rest areas, kitchen facilities) and opportunities for further development of staff facilities to provide a health-promoting workplace.

#### **2.3.4 Sickness absence**

Sickness absence has continued to be monitored and managed throughout the year. Sickness rates are reported monthly as a percentage of absence in month and as a 12-month rolling rate. This highlights the seasonal fluctuations that occur month on month but also whether improvement is being made.

At the start of 2023/24 the 12-month sickness absence rolling rate had increased to 5.92% in March 2023. As at January 2024, the 12 month sickness absence rate has reduced to 4.92%. The percentage of short-term absence is 2.64% whilst long term absence is 1.97% (January 2024).

The HR Employee Relations team supports the management of short and long-term sickness, with proactive support to managers and individual support for staff to return to work. During this year over 500 supervisors and managers have received training in absence management. Preventing ill health remains a priority in 2024/25. There is work focused across 'hotspot' areas to continually improve sickness and support that can be offered to staff.

The Trust's sickness absence data can be found on NHS Digital's publication series on NHS Sickness Absence Rates. This can be found at [NHS Sickness Absence Rates - NHS Digital](#)

#### **2.3.5 Improving staff engagement**

Improving staff engagement is the strategic objective for the People domain of Patient First and our long-term objective is to achieve a staff engagement score that places the Trust in the top quartile of acute Trusts. It is recognised that high levels of staff engagement are linked to improved safety and productivity supporting high quality patient care and sustainable services.

In 2023/24 we have also continued to focus on 'staff voice that counts' working with Divisions and Services to use our Patient First Improvement System to increase the number of staff who would speak up both confident that they would be heard and that their feedback would be acted upon. Our strategic initiative, longer term work on the culture of the Trust, also continued focussing on equality diversity and inclusion (EDI), violence prevention and reduction (VPR) and leadership. This, alongside other work on key staff issues and supporting the seven NHS people promises, such as health and wellbeing, delivered an improvement in the Trust's NHS staff survey results in 2023.

Staff engagement, as measured through the annual NHS staff survey, was 6.6 (out of 10) in 2023 (an Improvement from 6.5 (out of 10) in 2022). The

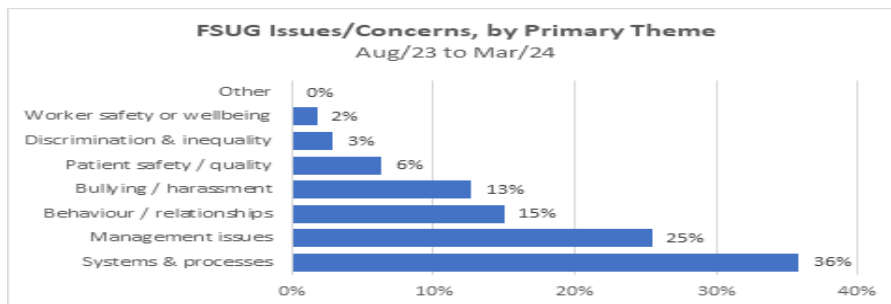
average across acute Trusts was 6.9. The Trust also monitors engagement monthly through a ‘pulse survey’ and has seen overall improvement in 2023-24 with monthly fluctuations.

The willingness of staff to raise issues confident that something will be done about it has also improved over the year. This has been supported by the new Freedom to Speak Up Guardian arrangements (more below) and work to publicise the ways in which staff can raise issues and developing expectations around how leaders and managers respond and provide feedback to staff on those issues. The Trust will continue work on this in 2024/25.

### Freedom to Speak Up Guardian

In August 2023 the Trust appointed [The Guardian Service](#) (TGSL), a specialist external provider, as its Freedom to Speak Up Guardian (FSUG). This service provides a dedicated, independent, highly visible FSUG, as well 24/7 cover and support to staff. The FSUG provides reports to the People & Culture Committee, and in addition meets regularly with Trust Chief Executive, Chair, and Chief People Officer, to whom the FSUG has direct access.

From August 2023 to end March 2024 (eight months), the FSUG received 173 issues/concerns from staff. Of these, a minority (6%) related to patient safety or quality.



The majority (61%) of staff who contacted the FSUG reported doing so for impartial support; a minority (26%) said they had previously raised the concern internally and not been listened to. Over two-thirds of staff (69%) who contacted the FSUG asked for their issues/concern to be kept confidential, and a minority (31%) asked for it to be escalated (16% with the staff member’s name, 15% anonymously). The significant majority of escalations from the FSUG receive a manager response to the FSUG on the same day or within one day.

TGSL surveys staff about their experience on closure of their case. Based on data from August 2023 to end February 2024: 81% felt they had received a satisfactory outcome, 82% said they would speak up again, and 96% would recommend the FSUG to a colleague.

TGSL is providing a highly visible, accessible, independent and well-received service to support staff and a safe and secure channel for escalation of issues of concern, including directly to Trust Chief Executive, Chair and Chief People Officer as required. The FSUG service is one of a range of speaking up pathways. These have been extensively publicised during 2023/24, including through flowcharts and online resources to quickly direct staff to the best route for escalation internally and, if needed, externally.

### 2.3.6 Staff survey 2023

The NHS Staff Survey is one of the largest workforce surveys in the world. It has been carried out every year since 2003 and aims to improve staff experiences across the NHS. In 2021 the survey questions were aligned to the NHS People Promise, and comparative data are therefore provided (where available) for the last three years. In 2023, the survey was extended to Bank-only workers. The Trust scores are benchmarked against 121 other NHS Acute and NHS Acute & Community Trusts.

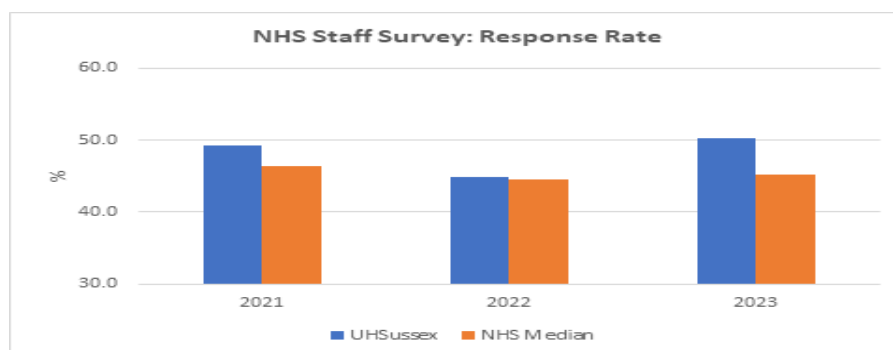
#### 2023 Goals

The Trust set a number of key targets for the 2023 NHS Staff Survey, which it has achieved:-

- to increase the staff response rate, and continue to exceed the national median response rate
- to improve the absolute scores against 2022 (at question, People Promise, and People Promise Element/Theme levels)
- to narrow the gap with the NHS Average (benchmark) scores, and
- to make steady progress towards the Trust's ambition of scoring in the Upper Quartile (best 25%) compared to other NHS Acute and Acute & Community Trusts.

#### Response rate

For the last three years the Trust response rate has been higher than the NHS median, indicating a high level of staff engagement. In 2023 the Trust exceeded its internal target of 50% response rate (vs 45% NHS median), with 8,453 staff responding (50.18%). Of these, 2,925 substantive and Bank staff (35% of respondents) also included free text comments, which have been reviewed and analysed.



## Summary of the 2023 feedback

As shown in the table below:-

- In 2023 the Trust improved scores for all seven People Promises and two People Themes. Expressed as a percentage, the Trust improved by 0.5% (We each have a voice that counts) to 5.0% (Morale).
- For We work Flexibly, the Trust score was at the NHS Average. For the other eight People Promise elements/themes, the Trust scores were poorer than the NHS Average. However in line with the Trust's improvement trajectory, the gap narrowed for all eight elements / themes.
- The largest gap between 2023 Trust score and NHS Average is for Staff Engagement, which comprises nine questions (in three domains: Motivation, Involvement, Advocacy). Although the Trust remains below NHS Average, it improved its absolute scores for all nine questions – by 1.2% (Able to suggest improvements) to 9.5% (Recommend as a place to work) – and narrowed the gap with the NHS Average. The high staff response rate also indicates a high level of staff engagement.

The table below shows the 2021, 2022 and 2023 Trust and average scores against each of the people promises.

People Promise Element & Theme	2021			2022			2023				
	UHSussex	NHS Avg	Gap	UHSussex	Change	NHS Avg	Gap	UHSussex	Change	NHS Avg	Gap
We work flexibly	5.86	5.96	-0.10	5.97	0.11	6.01	-0.04	6.20	0.23	6.20	0.00
We are a team	6.47	6.58	-0.11	6.52	0.05	6.64	-0.12	6.64	0.12	6.75	-0.11
We are compassionate and inclusive	7.07	7.20	-0.13	7.04	-0.03	7.18	-0.14	7.12	0.08	7.24	-0.12
We are recognised and rewarded	5.62	5.82	-0.20	5.55	-0.07	5.73	-0.18	5.75	0.20	5.94	-0.19
We are safe and healthy	5.67	5.90	-0.23	5.62	-0.05	5.89	-0.27	5.85	0.23	6.06	-0.21
We are always learning	5.04	5.23	-0.19	5.19	0.15	5.35	-0.16	5.40	0.21	5.61	-0.21
We each have a voice that counts	6.49	6.67	-0.18	6.45	-0.04	6.65	-0.20	6.48	0.03	6.70	-0.22
Morale	5.51	5.74	-0.23	5.42	-0.09	5.69	-0.27	5.69	0.27	5.91	-0.22
Staff Engagement	6.61	6.84	-0.23	6.54	-0.07	6.80	-0.26	6.66	0.12	6.91	-0.25

At People Promise Element/Theme subscore level, the gap between the Trust scores and NHS Average widened (got worse) for three subscores (14%), stayed the same for two (9%), and narrowed (improved) for 17 subscores (77%).

At question level, 17% of the Trust's 2023 scores were better than the NHS Average. These were:

- Understanding and kindness (Q8b), appreciation (Q8d), respect (Q7c) and politeness (Q8c) from colleagues
- Feeling valued by (Q7h) and attached to (Q7i) the team, and enjoying working with colleagues (Q7e)
- Opportunities for Flexible Working (Q4d, Q6d), and achieving a good Work-Home Balance (Q6c)
- The Trust's making Reasonable Adjustments for Long-Term Health Conditions (disability) (Q31b)
- Manager interest in staff member's health and wellbeing (Q9d)
- Having shared team objectives (Q7a).

Analysis has also been undertaken by Staff Group against the nine People Promises/Themes. The poorer score for We Work Flexibly among Medical & Dental staff reflects national results for Medical & Dental staff in NHS Acute and Acute & Community Trusts.

### Summary & next steps

The NHS Staff Survey provides a rich source of quantitative and qualitative data. In 2023, the Trust achieved its target of an increased staff response rate (better than NHS median), improved absolute scores (for 85% of individual questions), and a narrowing of the gap with the NHS benchmark average (compared to 121 other NHS Acute and Acute & Community Trusts).

During 2024/25, action will be taken at both Trust and individual service/team level. At Trust level, key areas of focus will be the (relatively small number of) questions where the Trust score worsened in 2023 and there is the largest gap with the NHS Average. These relate to acting on patient concerns (Q25b), clinical concerns (Q20b), errors and near-misses (Q19c), and providing feedback on actions taken (Q19d). The Trust has established the Quality & Safety Improvement Programme (QSIP) to provide an enhanced focus on quality and safety. This has included the launch of RLDatix incident reporting and data analysis software in February 2024.

For the 'We work flexibly' People Promise, the Trust score was at NHS Average. For Flexible Working (People Promise Element) specifically, the Trust score was better than NHS Average (6.19 vs 6.15). Analysis by Staff Group identifies a wide range of experience and therefore opportunities for improvement. During 2024/25 the Trust intends to extend self-rostering for Medical & Dental staff, in line with NHSE [2024/25 Priorities & Operational Planning Guidance](#), and consider how this could be introduced for other staff groups. This supports the priorities in the Sussex Health & Care Workforce Retention Plan (2023).

At local level, the 2023 NHS Staff Survey results have been made available to all Trust line managers via an interactive PowerBI tool, which enables tailored analysis of results from Trust and Divisional level to individual Cost Centre level, and includes comparative reporting by Protected Characteristics (Equality Act 2010). Results highlight the diversity of staff/team experiences and the need, therefore, for locally tailored plans and priorities. With support from HR Business Partners (HRBPs), Clinical/Operational and Corporate Divisions are identifying local priorities for action in 2024/25.

Other improvement activities expected to contribute to the 2024 NHS Staff Survey results are embedded in other Trust Strategic Initiatives and Corporate Projects (Patient First / Strategy Deployment Review). The Trust has made a significant improvement in the 2023 NHS Staff Survey in both absolute terms and relative to the NHS benchmark group. However it is recognised that the next stage of progress towards Upper Quartile presents significant challenges within a highly constrained resource context.

### **2.3.7 Staff Turnover**

Staff turnover has reduced over the last 12 months from 9.39% to 7.71%, this remains below the Trust target of 12%, with all staff groups having seen a reduction.

The Nursing & Midwifery Working Group continue to develop induction and support for HCAs including career coaching, as well as reviewing the career pathway and differences between Band 2 and 3 being reviewed and defined. Rotational programmes are being developed for RNs and HCAs, as well as structured foundation programmes being created for Healthcare Support Workers. There has been a review and update of the Trust Exit Questionnaire, which now provides further detail on reasons for leaving allowing action to be taken where possible to prevent further leavers.

Further information can be obtained at [NHS workforce statistics - NHS Digital](#)

### **2.3.8 Education - Process applied to support Workforce Development**

At University Hospitals Sussex NHS Foundation Trust, we aim to foster an inclusive culture of education, training and development for all staff and are particularly proud of the career progression pathways we offer.

The Trust continues to work closely with a number of local further education and higher education providers across a range of clinical and non-clinical academic and vocational programmes. In 2023, we entered an academic partnership with the university of Chichester to validate a number of programmes within our clinical education portfolio.

The Trust receives both medical and non-medical educational tariff funding from NHS England (NHSE) and during 2023/24 this was used to support the Education, Training and Continuous Professional Development (CPD) of our students, trainees registered nurses and allied health professionals, advancing clinical practice and the development of new workforce roles.

We continue to invest in the professional development of both clinical and non-clinical staff through the apprenticeship training pathways and this includes a focus on adult learning which enables staff to gain the requisite qualifications in English and Maths before starting on their chosen apprenticeship pathway.

Within our Medical Education portfolio, UHSussex remains the largest provider of undergraduate and postgraduate training placements across Kent Surrey and Sussex. Our speciality programmes aim to produce high-quality clinicians with a broad range of skills that will enable them to practice as Consultants across the United Kingdom. We continue to support NHSE in their national programmes of work of growing the medical workforce and repatriation of training posts out of London, which has resulted in an increase of 24 FY programmes and 15 CT/ST1+ posts across the Trust from August 2024.

Attendance on statutory and mandatory training was impacted by various industrial action and high workloads over 2023-24 however we are now compliant in terms of training levels as our current compliance is at 91%. This has improved on the year end position for March 2023 which was at 88.69%. It should be noted that we have achieved this compliance whilst introducing a couple of new mandatory programmes including conflict management and the Oliver McGowan training on autism and learning disabilities.

### **2.3.9 Health and safety**

Health and safety compliance at University Hospitals Sussex NHS Foundation Trust is managed by the Health and Safety Team and monitored by the Health and Safety Committee on a quarterly basis which reports to the Audit Committee and Health and Safety Risks are reported to the Quality Governance Steering Group. A Health and Safety Report is also published annually and made available to staff via along with the Policy for the Management of Health, Safety and Risk.

The Health and Safety Committee reviews reports, policies and accident data on issues relating to the following areas of health and safety: fire, manual handling, security, training, estates and facilities, occupational health, staff incidents, stress, radiation protection and non-clinical risk management. Health and safety incidents are logged on the Trust's Datix incident reporting system, while risk assessments encapsulating the breadth of Health and Safety areas including dangerous substances, display screen equipment, fire, security, estates, radiation protection, manual handling and staff wellbeing are carried out using the Safety, Health and Environment (SHE) software package.

Health and safety training is mandatory for all staff on induction and then on a triennial cycle with compliance performance monitored as with all mandatory training at the Board's People Committee.

As referred to within the Annual Governance Statement at Section 2.9 the Trust has had a number of routine inspections from the Health and Safety Executive, the Environment Agency, the Medicines Health Regulatory Agency and the Human Tissue Authority. Recommendations were made as result of these inspections noting that for all but the Environment Agency these required immediate actions to be taken to remedy identified weaknesses within the Trust's systems of internal control. The Health and Safety Committee monitors improvement and oversees the Trust's working with its regulators in this area.

### **2.3.10 Fraud, bribery and corruption statement**

University Hospitals Sussex NHS Foundation Trust is committed to eliminating fraud and corruption within the NHS, freeing up public resources for better patient care. To this end, the Trust deploys a specialist counter-fraud service

to provide a comprehensive programme against fraud and corruption which is overseen by the Trust's Audit Committee.

All anti-fraud and corruption legislation is complied with. It is a criminal offence to give, promise or offer a bribe, and to request, agree to receive, or accept a bribe. A bribe may take the form of any financial or other advantage to another person in order to induce a person to perform improperly.

Although the Bribery Act permits hospitality, all staff are required to consider on an individual basis whether accepting any hospitality offered is appropriate and should they then elect to take it, to record it within the Trust's Hospitality register (in line with the Receipt of Hospitality, Gifts and Inducements Policy) so that it has been fully disclosed.

It is also important that all of our contractors and agents comply with our policies and procedures.

When entering into contracts with organisations the Trust follows the NHS standard terms and conditions of contract for the purchase of goods and supplies.

We ask all who have dealings with the Trust, as employees, agents, trading partners, stakeholders and patients, to help us in our fight against fraud and corruption and to contact the counter-fraud service in confidence if they have any concerns or suspicions.

We have maintained across 2023/24 our increased our anti-fraud surveillance work that recognising the increased pressure the Trust is under and recognising the intelligence provided by the NHS Counter Fraud Authority who through the Local Counter Fraud Specialist provide regular and frequent anti-fraud bulletins.

#### **2.3.11 Exit packages** (subject to audit)

There were two exit packages in 2023/24 which were related to redundancies in the range of £25,001 - £50,000 and £50,000-£100,000. (There was one exit package in 2022/23 which had HM Treasury approval in the range of £25,001 - £50,000).

#### **2.3.12 Off-payroll engagements**

The Trust did not make any off-payroll engagements in the financial year. (There were no off payroll engagements in the prior year)

#### **2.3.13 Trade Union Facility Time**

Our relationship and partnership working with our trade unions is a key tenant of our employee relations strategy. We have continued to foster a strong partnership where areas of concern are identified and we pay attention to resolution and learning. There has been strong collaboration on issues

throughout the year, including harmonising policies within the merged Trust, supporting staff through the pandemic and managing the vaccination of staff. The Trade Union (Facility Time Publication Requirements) Regulations 2017 with further guidance provided by the Cabinet Office require the Trust to disclose the amount of facility time undertaken by trade union officials.

The table below relates to the period 1 April 2023 to 31 March 2024 (prior year figures are in brackets) noting the Trust is required to publish this information annually by the 31 July each year.

**Table 1 - Relevant Union Officials**

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
109 (86)	88.65 (79.68)

**Table 2 - Percentage of time spent on facility time**

*How many employees who were relevant union officials employed during the relevant period spent their working hours on facility time*

<i>Percentage of time</i>	<i>Number of employees</i>
0%	4 (0)
1% - 50%	105 (86)
51% - 99%	0 (0)
100%	0 (0)

**Table 3 - Percentage of pay bill spent on facility time**

*The percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period*

Total cost of facility time	£64,880 (£70,887)
Total pay bill	£ 1,003,395,000 (£954,084,000)
Percentage of the total pay bill spent on facility time	0.01 % (0.07%)

**Table 4 - Paid trade union activities**

*Time spent on paid trade union activities as a percentage of total paid facility time hours*

0% (5%)
---------

As was expected there has been an increase in the number of the Trade Union representatives. This year has again seen an increase in the level of activity as the period of industrial action taken has continued over 2023/24 and the Trust has continued to support its staff during the year.

### 2.3.15 Statement on social responsibility

University Hospitals Sussex NHS Foundation Trust reflects its social responsibility within the way it undertakes its business, this is from the recruitment, retention and development of our staff as noted within this report in respect of our equality, diversity and inclusion work through to way we deliver of services making them accessible and environmentally sustainable again as detailed within this report through to our wider responsibility to work with our partners with regard to our responsibilities under safeguarding to protect our patients and their families and carers.

We recognise and are proud of our position as an anchor institution and take this into account in respect of our procurement decisions. We follow regulations and policy concerning social value including the Social Value Act 2012 and adhere to the principles of the Corporate Social Responsibility Act. In particular, we have adopted the Procurement Policy Note - Taking Account of Social Value (PPN 06/20) so that a minimum of 10% of the weighting for any tenders is for net zero and social value considerations. In support of the national agenda regarding small and medium-sized enterprises and third sector organisations, where appropriate contracts are advertised locally and nationally, including using the government's Contracts Finder platform.

As an example, we have agreed our strategic principles for commercial retail units that operate within our hospitals. One of these principles is corporate social responsibility to ensure that our retail provision allows local and regional businesses the opportunity to work within our hospitals and that these businesses also support and promote the use of local businesses and local supply chains.

The Modern Slavery Act 2015 places responsibility for organisations to act in order to reduce the chances of modern slavery taking place in their supply chains. The Trust is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We have a zero-tolerance approach to any form of modern slavery and are committed to acting ethically and with integrity and transparency in all business dealings. All suppliers who are awarded contracts agree to the NHS Terms and Conditions of Contract. These contain clauses placing obligations on the supplier regarding Good Industry Practice and ensuring commitment to anti-slavery and human trafficking in the supplier's supply chains.

We take steps to ensure that all suppliers have equal opportunity to compete for our business where appropriate and that we treat all suppliers equally. We apply local and national procurement policies and procedures consistently and fairly and ensure that suppliers and their employees are not discriminated against by the actions of the Trust or Trust employees.

During the year we have partnered with two organisations in receipt of Small Business Research Initiative funding to explore and evaluate opportunities to reduce carbon within the clinical pathway. We have started, and will continue, to develop relationships with local businesses and to understand the opportunities for us to support research and innovation within the Trust and local communities.

In the next year, we will be developing a supplier diversity programme to ensure that we review and increase the representation of suppliers who are committed to encouraging diversity and inclusion through our procurement processes and ultimately with whom we trade. Our objective in this area is to reach through our supply chain to:

- Foster economic development by supporting small and diverse businesses;

- Encourage innovation, competitiveness, and creativity by sourcing from a diverse supplier base; and
- Promote inclusive business practices and equal opportunities.



26 June 2024

.....  
**Dr George Findlay, Chief Executive**

## **2.4 Remuneration Report**

### **2.4.1 Annual statement on remuneration**

It is the responsibility of the Appointment and Remuneration Committee of Non-Executive Directors to oversee the pay arrangements of Executive Directors and Very Senior Managers, details of the committee can be found within the 'How the Trust is Run' section of this report. During the period of this report where appointments have been made to the Executive and Very Senior Managers of the Trust salaries have been determined in accordance with national guidance and benchmarks.

### **2.4.2 Senior Managers Remuneration Policy**

Initial salaries are determined on appointment with reference to the nature of the role, responsibilities, previous experience and expertise of candidates and the need to offer competitive remuneration that represents value for money for the taxpayer, informed by national guidance and benchmark pay ranges (with necessary opinion sought for any salaries over £150k per annum).

All Directors' performance is subject to an annual appraisal the outcome of which is reported to the Appointment and Remuneration Committee by the Chief Executive. This is prior to any decision being made on any increase to Executive remuneration.

For the Chief Executive Officer, their appraisal is undertaken by the Chair of the Trust with a report then submitted to the Committee.

The annual appraisal method is chosen as it is an effective way to assess performance against a range of performance targets and leadership responsibilities, and includes feedback from Non-Executive Directors and peers as part of a 360 degree feedback process.

In coming to any decision on remuneration, the Committee takes account of the circumstances of the Trust, the size and complexity of the role, any changes in the Directors portfolio, the performance of the individual and any appropriate national guidance. Senior managers are remunerated based on these decisions. Any performance related pay award by the Committee is within the context of the NHS Very Senior Managers Pay Framework and guidance.

In considering Senior Managers Pay the Committee takes note of national benchmark data provided by NHS Providers and the requirement to consider any pay above a threshold of £150,000 per annum as per Cabinet Office guidance.

### 2.4.3 Future policy table

Please see in the following table details of the components of the remuneration package for senior managers.

Component of pay	Link to short and long-term strategic goals	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	To promote the long-term success of the Trust by attracting and retaining high calibre senior managers in a competitive marketplace.	<p>The Committee reviews the following in setting remuneration for senior managers:</p> <ul style="list-style-type: none"> <li>• Role, responsibilities and accountabilities</li> <li>• Skills, experience and performance</li> <li>• Trust performance</li> <li>• Pay awards across the Trust</li> <li>• Local and national market conditions</li> <li>• Advice from NHSE/Ministerial opinion</li> <li>• Benchmarking</li> </ul> <p>The committee reserves the right to approve specific increases in exceptional cases, such as major changes to a senior manager's role.</p>	<p>There is no prescribed maximum limit.</p> <p>Some of our senior managers are paid more than £150,000 which is the amount above which Ministerial opinion on salary must be sought under <a href="#">NHS England guidance</a>. In these instances, the Remuneration Committee has taken steps to assure itself that the pay received by these individuals is commensurate with market conditions, the responsibilities and duties of the role, and is regularly reviewed to ensure that the Trust is receiving value-for-money</p>	Trust overall performance and individual appraisal (inc 360 feedback)
Taxable benefits		Senior managers' benefits include: Pension-related benefits Access to car lease and other schemes - the same as other staff.	There is no prescribed maximum limit.	Not applicable
Pension		The Trust operates the standard NHS Pension Scheme and	As per standard NHS Pension Scheme.	Not applicable

		a NEST scheme for those ineligible to join NHSPS.		
Performance related pay	The Trust has not applied a performance related pay regime for 2023/24			

Base salaries are set in line with market information and are designed to ensure retention, or recruitment, of the calibre and experience required to deliver the aims of the Trust. Salaries are revised annually and uplifted only if:

- There is demonstrable evidence that an uplift is required to keep in line with the market, informed by any NHS/Ministerial guidance on pay uplifts including the recommendations of the [Senior Salaries Review Body](#)
- A change in portfolio necessitates an uplift.

#### 2.4.4 Service contracts obligations and Policy on payment for loss of office

HM Treasury has issued specific guidance on severance payments within 'Managing Public Money' and special severance payments when staff leave requires Treasury approval.

All contracts are permanent with no fixed end date. There are no contractual provisions for payments on termination of contract.

The table below shows the date of contracts and notice periods during the last year.

<b>Name</b>	<b>Title</b>	<b>Date of Contract</b>	<b>Notice period from the Trust</b>	<b>Notice period to the Trust</b>
Dr George Findlay	Chief Executive	1 June 2022	6 months	6 months
Karen Geoghegan	Chief Financial Officer	1 February 2014	6 months	6 months
Dr Maggie Davies	Chief Nurse	1 May 2019	6 months	6 months
Leanne McLean **	Interim Chief Nurse support from 21 March 2023 **	21 March 2023	1 week	1 week
David Grantham	Chief People Officer	14 June 2021	6 months	6 months
Dr Andy Heeps	Deputy Chief Executive and Chief Operating Officer	1 September 2021	6 months	6 months
Professor Catherine (Katie) Urch	Chief Medical Officer	3 April 2023	6 months	6 months
Roxanne Smith	Chief Strategy Officer	1 June 2023*	6 months	6 months
Darren Grayson	Chief Governance Officer	2 March 2022	6 months	6 months
Sandi Drewitt	Chief Culture & OD Officer	21 November 2023	3 months	3 months

Notes \*was on a period of maternity leave from this date until November 2023 \*\*fixed term contract to support planned leave of the Chief Nurse

## 2.4.5 Statement of consideration of employment conditions elsewhere in the Foundation Trust

In considering any decision on remuneration the Committee takes note of both the organisational and national context, and as described in section 2.4.3 national NHS (market) benchmarking provided from sources including NHS Providers.

## 2.4.6 Salary and pension entitlements of senior managers

### Remuneration 2023/24 (subject to audit)

	Salary Bands of £5,000 a	Total expenses Nearest £100 b	Bonus Bands of £5,000 c	L/term bonus Bands of £5,000 d	Pension Benefit Bands of £2,500 e	Total Bands of £5,000 f
Dr George Findlay Chief Executive	220 - 225	1,100	-	30 - 35	-	250 - 255
Dr Andy Heeps Deputy CEO and COO	215 - 220	1,200	-	-	-	220 - 225
Karen Geoghegan Chief Financial Officer	205 - 210	-	-	-	-	205 - 210
Dr Maggie Davies Chief Nurse	175 - 180	100	-	-	-	175 - 180
Dr Catherine Urch Chief Medical Officer (from April 2023)	230 - 235	-	-	-	22.5 - 25	250 - 255
David Grantham Chief People Officer	170 - 175	2,000	-	-	-	170 - 175
Darren Grayson Chief Governance Officer	160 - 165	100	-	-	250 - 252.5	410 - 415
Roxanne Smith Chief Strategy Officer (From June 2023)	75 - 80	-	-	-	35 - 37.5	110 - 115
Sandra Drexell Chief Culture and Organisational Development Officer (From November 2023)	40 - 45	100	-	-	347.5 - 350	385 - 390
Leanne McLean Interim Chief Nurse (Term ended September 2023)	150 - 155	-	-	-	-	150 - 155
Alan McCarthy Chairman	75 - 80	2,000				75 - 80
Paul Layzell Non-Executive Director	15 - 20	-				15 - 20
Lucy Bloem Non-Executive Director	20 - 25	2,800				20 - 25
David Curley Non-Executive Director	15 - 20	-				15 - 20
Bindesh Shah Non-Executive Director	15 - 20	900				15 - 20
Jackie Cassell Non-Executive Director	15 - 20	200				15 - 20
Professor Malcolm Reed Non-Executive Director	10 - 15	-				10 - 15
Elizabeth Peers Non-Executive Director	20 - 25	-				20 - 25
Philip Hogan Non-Executive Director (From January 2024)	0 - 5	300				0 - 5
Claire Keatinge Non-Executive Director (Term ended March 2024)	15 - 20	1,000				15 - 20
Sadie Mason Associate Non-Executive Director (Term ended November 2023)	0 - 5	-				0 - 5
Patrick Boyle Non-Executive Director (Term ended June 2023)	5 - 10	-				5 - 10
Lillian Philip Non-Executive Director (Term ended April 2023)	0 - 5	-				0 - 5

**Remuneration 2022/23 (subject to audit)**

	Salary Bands of £5,000 a	Total expenses Nearest £100 b	Bonus Bands of £5,000 c	L/term bonus Bands of £5,000 d	Pension Benefit Bands of £2,500 e	Total Bands of £5,000 f
Dr George Findlay Chief Executive (from June 2022)	190 - 195	1,700	-	25 - 30	65 - 67.5	280 - 285
Dr Andy Heeps Interim CEO (April 2022 to May 2022) Deputy CEO (from June 2022)	200 - 205	2,000	-	-	85 - 87.5	285 - 290
Karen Geoghegan Chief Financial Officer	195 - 200	200	5 - 10	-	-	205 - 210
Dr Maggie Davies Chief Nurse	170 - 175	4,600	5 - 10	-	87.5 - 90	270 - 275
Dr Rob Haigh Interim Chief Medical Officer (from 1 September 2022)	170 - 175	-	-	35 - 40	15 - 17.5	225 - 230
Dr Charlotte Hopkins Interim Chief Medical Officer (Term ended 31 August 2022)	55 - 60	-	-	-	-	55 - 60
David Grantham Chief People Officer	170 - 175	900	-	-	70 - 72.5	240 - 245
Darren Grayson Chief Governance Officer	150 - 155	-	-	-	-	150 - 155
Ellis Pullinger Interim COO (April 2022 to May 2022)	80 - 85	-	-	-	-	80 - 85
Leanne Mclean Interim Chief Nurse (from March 2023)	10 - 15	-	-	-	-	10 - 15
Alan McCarthy Chairman	70 - 75	700				75 - 80
Joanna Crane Non-Executive Director (Term ended 30 June 2022)	5 - 10	-				5 - 10
Jon Furnston Non-Executive Director (Term ended 30 June 2022)	0 - 5	-				0 - 5
Elizabeth Peers Non-Executive Director	20 - 25	-				20 - 25
Patrick Boyle Non-Executive Director	20 - 25	500				20 - 25
Jackie Cassell Non-Executive Director	15 - 20	-				15 - 20
Claire Keatinge Non-Executive Director	10 - 15	-				10 - 15
Lucy Bloem Non-Executive Director	15 - 20	1,700				15 - 20
Lilian Philip* Associate Non-Executive Director	5 - 10	-				5 - 10
Bindesh Shah Non-Executive Director (from 1 July 2022)	10 - 15	-				10 - 15
David Curley Non-Executive Director (from 1 July 2022)	10 - 15	-				10 - 15
Professor Malcolm Reed Non-Executive Director (from 1 March 2023)	0 - 5	-				0 - 5
Paul Layzell Non-Executive Director (from 1 September 2022)	5 - 10	-				5 - 10
Sadie Mason* Associate Non-Executive Director (from 1 July 2022)	0 - 5	-				0 - 5

Expenses include travel, subsistence and hotel accommodation.

### Pension Entitlements as at 31 March 2024 (subject to audit)

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2022 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2022 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2022 (nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2021 (nearest £1,000)	Real increase in Cash Equivalent Transfer Value (nearest £1,000)	Employer's contribution to Stakeholder Pension
Dr George Findlay Chief Executive	-12.5 - -10	60 - 62.5	80 - 85	215 - 220	1,950	1,747	173	Nil
Dr Andy Heeps Deputy CEO and COO	-7.5 - -5	50 - 52.5	55 - 60	140 - 145	1,133	820	285	Nil
Karen Geoghegan Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Maggie Davies Chief Nurse	-60 - -57.5	0	0 - 5	0	73	1,382	-1,326	Nil
Dr Catherine Urch Chief Medical Officer	0 - 2.5	0	0 - 5	0	30	0	16	Nil
David Grantham Chief People Officer	-7.5 - -5	40 - 42.5	55 - 60	155 - 160	1,376	1,194	159	Nil
Darren Grayson Chief Governance Officer	10 - 12.5	30 - 32.5	80 - 85	225 - 230	1,998	1,730	252	Nil
Roxanne Smith Chief Strategy Officer (From June 2023)	2.5 - 5	0	5 - 10	0	101	74	13	Nil
Sandra Drewett Chief Culture and Organisational Development Officer (From November 2023)	0	0	45 - 50	125 - 130	1,093	642	154	Nil
Leanne McLean Interim Chief Nurse (Term ended September 2023)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Karen Geoghegan chose not to be covered by the pensions arrangements during the year.

Note: Leanne McLean is not a member of the Pension Scheme.

Note: The figures above do not include future adjustment to the pension benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgement.

Note: Where members have not been employed by the Trust for the full financial year, the figures above show the pension entitlement earned during the whole year, including roles outside the Trust if eligible for the NHS Pension Scheme.

### Pension Entitlements as at 31 March 2023 (subject to audit)

	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2022 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2022 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2022 (nearest £1,000)	Cash Equivalent Transfer Value at 31 March 2021 (nearest £1,000)	Real increase in Cash Equivalent Transfer Value (nearest £1,000)	Employer's contribution to Stakeholder Pension
Karen Geoghegan Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Maggie Davies Chief Nurse	5 - 7.5	5 - 7.5	55 - 60	155 - 160	1,255	1,138	95	Nil
Leanne McLean Interim Chief Nurse	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr George Findlay Chief Executive	5 - 7.5	0 - 2.5	85 - 90	140 - 145	1,587	1,482	60	Nil
Dr Charlotte Hopkins Interim Chief Medical Officer	-5 - -2.5	0	30 - 35	50 - 55	530	572	-26	Nil
Dr Rob Haigh Interim Chief Medical Officer	0 - 2.5	0 - 2.5	80 - 85	145 - 150	13	1,677	-967	Nil
David Grantham Chief People Officer	2.5 - 5	2.5 - 5	55 - 60	100 - 105	1,085	990	71	Nil
Dr Andy Heeps Deputy Chief Executive and Chief Operating Officer	5 - 7.5	2.5 - 5	45 - 50	80 - 85	745	656	61	Nil
Darren Grayson Chief Governance Officer	-2.5 - 0	0	60 - 65	175 - 180	1,571	1,406	147	Nil

Note: Karen Geoghegan chose not to be covered by the pensions arrangements during the year.

Note: Leanne McLean is not a member of the Pension Scheme.

Note: The figures above do not include future adjustment to the pension benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgement.

Note: Where members have not been employed by the Trust for the full financial year, the figures above show the pension entitlement earned during the whole year, including roles outside the Trust if eligible for the NHS Pension Scheme.

### Remuneration and Pension Table notes

For 2023/24, these figures should be based on the discount rate guidance that was extant on 31 March 2024. This is the approach that NHS BSA have used. NHS foundation Trusts should disclose the following text beneath the table: “Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. The factors used to calculate the CETV increased on 30 March 2023.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.’

As set out in paragraph 8(3) of the Regulations, where the calculations of any of these columns result in a negative value (other than in respect of a recovery or withholding), the result is expressed as zero in the relevant column in the table.

“a” is salary and fees (in bands of £5,000)

“b” is all taxable benefits (total to the nearest £100)

“c” is annual performance-related bonuses (in bands of £5,000)

“d” is long-term performance-related bonuses (in bands of £5,000). The long term performance bonus for Dr George Findlay and Rob Haigh relate to a Clinical Excellence Award

“e” is all pension-related benefits (in bands of £2,500). As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. Information on accrued pension benefits is provided by the NHS Pensions Agency

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less, the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

“f” is the total of items “a” to “e” (in bands of £5,000).

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accumulated benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure

applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Total Pension Entitlement.** The normal retirement age for the NHS Pension Scheme is either 60 (for members in the 1995 scheme) or 65 (for members in the 2008 scheme). On retirement members receive their accrued pension and members in the 1995 scheme receive a lump sum equal to three times their annual pension. Members may choose to retire from work before their normal pension age and draw their benefits although these will be reduced because they will be paid earlier than expected. Further information about scheme rules and entitlements is available from <http://www.nhsbsa.nhs.uk/pensions>.

#### **Payments to past senior managers** (subject to audit)

The following payments were made to the following individuals who were not senior managers during the financial year but have previously been senior managers:

	<b>Salary Bands of £5,000</b>
Prof. William Roche	0 - 5
Rob Haigh	70 - 75
Leanne McLean	5 - 10

#### **Fair Pay Multiple (median pay)** (subject to audit)

NHS foundation Trusts are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in the organisation in the financial year 2023-24 was £250k - £255k (2022-23: £215k - £220k). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2023-24 was from £22k to £388k (2022-23: £20k to £410k). The percentage change in average employee remuneration (based on total for all employees on an

annualised basis divided by full time equivalent number of employees) between years is 11%. 25 employees received remuneration in excess of the highest-paid Director in 2023-24.

<b>2023/24</b>	<b>% change for highest paid Director</b>	<b>% change for employees as a whole</b>
Salary and allowances	11%	11%
Performance pay/bonuses	-22%	0%

<b>2022/23</b>	<b>% change for highest paid Director</b>	<b>% change for employees as a whole</b>
Salary and allowances	-12%	1%
Performance pay/bonuses	-100%	-3%

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid Director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

<b>2023/24</b>	<b>25th percentile</b>	<b>Median</b>	<b>75th percentile</b>
Salary component of pay	£29,372	£39,915	£53,273
Total pay & benefits excluding pension benefits	£29,408	£39,987	£53,340
Total pay & benefits excluding pension: Pay ratio for highest paid Director	10:1	7:1	5:1
Salary: Pay ratio for highest paid Director	10:1	7:1	5:1

<b>2022/23</b>	<b>25th percentile</b>	<b>Median</b>	<b>75th percentile</b>
Salary component of pay	£26,791	£36,932	£49,438
Total pay & benefits excluding pension benefits	£26,807	£36,949	£49,463
Total pay & benefits excluding pension: Pay ratio for highest paid Director	10:1	7:1	5:1
Salary: Pay ratio for highest paid Director	10:1	7:1	5:1



26 June 2024

.....  
**Dr George Findlay, Chief Executive**

## 2.5 Regulatory ratings

The Trust has entered into a series of licence undertakings with NHS England. These undertakings cover an agreement to improve operational performance and improvements to the Trust's quality governance processes. Operational performance improvements have been overseen by both the Board's Systems and Partnerships Committee and through the Tier 1 meetings with NHS England. The quality governance process improvements have been overseen by a dedicated Quality and Safety Improvement

Programme Committee of the Board. Also, both elements of these undertakings feed into the routine provider assurance meetings with NHS Sussex and NHSE Region.

The Trust received an enforcement notice in 2022/23 in relation to Upper GI Cancer Surgery where the Trust has a restriction on its registration in respect of the provision of specific surgical procedures. The Trust is compliant with this notice in that it does not undertake these procedures with patients being treated at neighbouring Trusts. Therefore, the Trust through this action is compliant with its CQC registration.

## 2.6 Statement of Accounting Officer's Responsibilities

### Statement of the Chief Executive's responsibilities as the accounting officer of University Hospitals Sussex NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the accounting officer of the University Hospitals Sussex NHS foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS England.

NHS England, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require University Hospitals Sussex NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of University Hospitals Sussex NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant

legislation, delegated authorities and guidance

- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation Trust’s performance, business model and strategy and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation Trust’s auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.



Signed..... 26 June 2024

**Dr George Findlay, Chief Executive**

## **2.7 Annual Governance Statement for the period 1 April 2023 to 31 March 2024**

### **1. Scope of responsibility**

1.1 As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation Trust’s policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

1.2 The Trust's Standing Orders and Scheme of Delegated Authority outline the accountability arrangements and scope of responsibility of the Board of Directors ('the Board'), Executive Directors and Trust officers.

1.3 The Trust's constitution was subject to review in May 2022 considering their application during the first year of use and both the Board and the Council confirmed these as being effective with only minor changes were made to bring clarity of some the text. No changes have been considered necessary by either the Board or Council during 2023/24.

1.4 Reports on the Trust's compliance with the Trust's Standing Financial Instructions are presented to the Audit Committee and through the work of Internal and External Audit especially in respect of the Trust's financial control framework there have been no issues identified that required any updates to these documents or the scheme of delegation.

1.5 The Board receives regular reports from each of the nominated Committee Chairs at each of its Board meetings allowing the Board to assess the operation of its committees. Committee terms of reference have been adjusted during the period as changes have been made to combine the oversight of the Patient and Quality patient first domains within one Committee and to facilitate the extension to the Research and Innovation Committee to include oversight of Digital given this is a key enabler for innovation from April 2024. A decision was also taken in the latter half of 2023/24 to combine the two patient first domains of Sustainability and Systems and Partnerships into one oversight Committee from April 2024 reducing the degree of duplicative discussions and thus increasing Committee effectiveness.

1.6 The Board has established a dedicated Committee to oversee the Trust's established Quality and Safety Improvement Programme. The focus of this Committee is assuring the Board that Trust's improvement plans are aligned to the delivery of the Trust's licence undertakings which incorporate the delivery of most recent CQC reported must do and should do recommendations from their inspections in 2023.

1.7 The Trust continues to work in close partnership with other Health and Social Care organisations within the Integrated Care System along with attending both the West Sussex County Council and Brighton and Hove City Council Health and Adult Social Care Scrutiny Committees. The Chief Executive provides ICS wide leadership to the acute provider collaborative and Trust Executives are regular attendees at ICS meetings and forums. In addition, The Chairman attends the regular ICS Chairs' meetings chaired by the ICB Chair. These arrangements allow the Trust to play an active and positive role in the ICS. The Board and ICS are working collectively to establish a Committee in Common which will have a focus on system strategy formulation.

## **2. The purpose of the system of internal control**

2.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of University Hospitals Sussex NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in University Hospitals Sussex NHS Foundation Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

## **3. Capacity to handle risk**

### *3.1 Trust Board*

3.2 The Trust has a Risk Management Strategy and Policy, endorsed by the Board of Directors. The Board of Directors recognise that risk management is an integral part of good management practice and to be most effective should be embedded in the Trust's culture. This recognition is embodied within the Strategy and Policy as this documents the Board's risk appetite and the processes applied across the Trust which see the oversight of the Trust's key risks assigned to a Board Committee with each key risk have a named executive lead. The Board is committed to ensuring that risk management is embedded as part of the Trust's philosophy, practice and planning and is not viewed or practiced as a separate programme and that responsibility for implementation is accepted at all levels of the organisation.

3.3 Each Board Committee received reports on the Trust's key risks at their meetings, these reports support the Committee's review of their assigned element of the Trust's Board Assurance Framework and the Committee's reporting to the Board.

### *3.4 Board Committees*

3.5 The Audit Committee has overall responsibility for ensuring there is effective risk management process employed across the Trust. The Audit Committee receive information annually from the Trust's internal auditors through their work which supports the Board Assurance Framework and through this work the Committee supports the Board to be assured over the robustness of the Trust's application of sound internal control processes. To enable the Audit Committee to fulfil its role its membership is drawn from the Non-Executive Member Chairs of each of the other Board Committees providing a clear link to and from the Audit Committee's oversight of the Board Assurance Framework and the work undertaken in each Committee in respect of the key risks they have assigned oversight for.

3.6 The other key Board Committees of Patient and Quality, People, Sustainability, Systems and Partnerships and Research and Innovation at each of their meetings receive and consider the Trust's key risks within each domain alongside consideration of the strength of assurances reflected within the Board Assurance Framework and the actions being taken to manage risks that are outside the Board's stated risk appetite. Each Committee reports the outcome of their review of the Board Assurance Framework to the next Board meeting.

3.7 The Board considers the views of each of its Committees when it receives and considers the Board Assurance Framework and makes a positive decision on the strength of control and thus the reported risk scores.

### 3.8 *Non-Executive Directors*

3.9 All Committees are chaired by a nominated Non-Executive Director. The Audit Committee which plays a pivotal role in providing assurance on the risk management processes of the Trust has a membership of only Non-Executive Directors. Through the Non-Executive Committee chairs who all form the Audit Committee membership with the Non-Executive Audit Committee chair they all have a responsibility to challenge robustly the effective management of risk and to seek reasonable assurance of adequate control.

3.10 The Audit Committee at each of its meetings considers the Board Assurance Framework and during the year made a small number of observations about its structure and content to improve the document to enable the Committee to better support their review of outcome of the detailed actions on the strategic risk scores.

3.11 The Audit Committee maintained an overview of the Trust's systems of internal control through the receipt and consideration of both management assurance and assurance from Internal Audit that the underpinning processes operated within the Trust remained effective.

### 3.12 *Chief Governance Officer*

3.13 The Chief Governance Officer is responsible for the strategic development and implementation of organisational risk management system.

### 3.14 *Chief Nurse*

3.15 The Chief Nurse is responsible for ensuring there is a robust system in place for monitoring compliance with standards and the Care Quality Commission (CQC) Registration legal requirements.

3.16 The Chief Nurse is also responsible for managing patient and non-patient safety, complaints, patient experience and medical legal matters.

### 3.17 *Chief Finance Officer*

3.18 The Chief Finance Officer oversees the adoption and operation of the Trust's Standing Financial Instructions including the rules relating to budgetary control, procurement, banking, losses and controls over income and expenditure transactions, and is the lead for counter fraud.

3.19 The Chief Finance Officer and the Trust Finance Director attend the Trust's Audit Committee and both liaise with internal audit, external audit and counter fraud services, who undertake programmes of audit with a risk based approach.

### 3.20 *Risk Management Training and Learning*

3.21 Risk management training forms part of the essential training package that all staff are required to complete. All new members of staff attend a mandatory induction covering key elements of risk management, supplemented by local induction. The organisation provides mandatory and statutory training that all staff must attend.

3.22 The Trust has established a corporate team to support Divisions utilisation of the Trust's risk management system. Coupled with this has been the establishment of a Risk Oversight Group which offers a forum to seek support on the delivery of actions to reduce risks to allow timely management of risk. This Group supports the Trust's drive for enhancing its culture of learning by ensuring is having on the positive impact that the improvements from this learning is having on the Trust's risk profile.

## **4. The risk and control framework**

4.1 The Board of Directors has established a robust corporate governance framework in which is detailed within the Annual Report section 'How the Trust is run'. The corporate governance structure is designed to ensure appropriate oversight and scrutiny and to ensure good corporate governance practice is followed.

4.2 In support of the Trust's corporate governance processes the Trust has continued to apply its clinical divisional governance processes. Each Clinical Division is led by a triumvirate of a Divisional Director of Operations, a Chief of Service and a Head of Nursing. Each division reports through the Quality Governance Steering Group to the Board's Quality Committee. As part of the post transaction delivery plan the Trust has implemented during 2022/23 its revised clinical operating model which sees the Trust's clinical divisions aligned to the two principal streams of planned and unscheduled care.

4.3 The Trust has a Risk Management Strategy that was reviewed at the start of April 2021, with this review confirming the stated Trust's risk appetite and the Trust's processes for identifying, reporting and managing risk. In line with the 2023/24 annual plan the Board considered the Trust's risk appetite at a

Board session in April 2023 and confirmed their risk appetite statements with these reported to the Board meeting in May 2023.

4.4 Risk management training forms part of the essential training package that all staff are required to complete. All new members of staff attend a mandatory induction event which covers key elements of risk management. This training has been further strengthened during the year with bespoke training provided by the central risk and assurance team.

4.5 Risks are raised and captured to a central risk management database known as Datix. The Trust completed its project to integrate its two legacy Datix risk management databases into one system which is enhancing the efficiency of risk reporting through the Trust to the appropriate Board Committees and the Board. Supporting this the Trust has completed a review of its central risk management team which has seen a dedicated oversight and support team established to enhance the risk literacy and operational risk management processes within both corporate and clinical divisions.

4.6 All staff are responsible for responding to incidents, hazards, complaints and near misses in accordance with appropriate Trust policies. Divisional management teams oversee local risk registers and the management and escalation, as appropriate, of risks through to the Risk Oversight Group and the Quality Governance Steering Group.

4.7 The Trust has an established Board Assurance Framework (BAF), through which the Board is provided with a mechanism for satisfying itself that its responsibilities are being discharged effectively; and informs the Board where the delivery of Trust's True Norths (principal objectives) are at risk due to a gap in control and/or assurance.

4.8 The BAF records that the Trust has been managing 14 significant risks, during the year the Trust had seen a number of these risks increase meaning at the year end nine of these risks exceeded their determined target score and eight of these risks were rated as significant.

4.9 For each of these risks there is a detailed series of mitigations and for those risks not achieving their target score will continue to be implemented throughout 2024/25. The delivery of these mitigations and their impact on the risks is monitored through the appropriate Committees of the Board, with reports provided to the Board.

4.10 During the year the Trust took action to learn from patient feedback and implement changes to its processes but there remains poor patient experience linked to patients excessive waits, this led to the patient strategic risk remaining significantly elevated.

4.11 The Trust took action during the year in respect of the key financial sustainability risks but given the degree of operational pressure on the Trust and the change to the 2023/24 financial framework, the Trust resubmitted its financial forecast during the last quarter of 2023/24. With the operating

planning regime for 2024/25 increasing the activity requirements there is significant financial risk within the Trust's submitted its element of the ICS plan this will be reflected within the 2024/25 BAF.

4.12 The Trust has taken a number of actions in respect of its People risks there remained across the year significant risks in relation to the support for the recruitment and deployment of staff along with the support for cultural improvement. Within the 2024/25 operational plan there remain continued people risks and the Board has recognised that work to improve the culture of the Trust remains a key priority which is why the People Committee remit has been expanded to oversee cultural development and the Trust has recruited a Chief Cultural Officer to oversee these activities.

4.13 The Quality Committee maintained a focus on the management of the Trust's key quality risks. Due to operational and workforce pressures the mitigation of the quality risks was less successful than planned and thus these risks remained significantly scored above their target score.

4.14 With regard to the key constitutional targets the Trust has prioritised the treatment of patients according to their clinical needs, in line with national guidance. Like the majority of NHS providers, the Trust has taken action to see those patients waiting the longest focusing on those waiting over 78 weeks, however, the operational demands on the Trust have impacted on the Trust's ability to reduce this risk. The Quality Committee maintained a complementary review of the Trust's processes to manage the quality risks for patients waiting through the receipt of information on harm reviews.

4.15 During 2023/24 the Board established a Research and Innovation Committee to provide oversight of the Trust's sixth strategic domain of Research and Innovation. Whilst action was taken through the establishment of a Research and Innovation Strategy there remain a number of underlying actions to reduce this strategic risk.

4.16 The Trust has continued to invest time and executive oversight into the enhancement of the Trust's reporting of its highly scored risks, particularly those linked to the Trust's corporate projects and strategic initiatives which complement the Trust's BAF risks. This activity has seen the continued delivery of an integrated risk report being provided to the respective Board Committees and the establishment of an executive led Risk Oversight Group where increased focus is devoted to support the management and mitigation of key operational risks.

### **Processes for Managing Cyber Security Risk**

4.17 We are fully onboarded with Microsoft Defender for Endpoint across the entire Trust, and have deployed the solution on both the client devices and server estates. We now use Microsoft Defender for Endpoint on all Trust Client Devices as this give us greater interoperability with the ATP solution. This solution allows us to actively monitor the devices on our network and

have very early detection of any malware or other cyber threats that enter our estate. We use the Threat and Vulnerability Management tools within the ATP solution to identify any potential issues across our Estate. We have been undertaking a series of tasks to 'Harden' our desktop. This process uses the ATP Vulnerability Management tools to identify areas of improvement that can decrease the number of attack vectors open to potential Cyber criminals. We also continue to act on every National CareCERT alert that we receive and update NHS Digital of our actions and progress.

4.18 We are currently in the process of creating a staff Cyber Awareness online virtual training session. This is a high level course that will educate our staff with some very basic information that is pivotal to the security of the Trust. It covers such topics as password security and SPAM emails which would also help staff within their personal lives. The hope is that this course would become part of an all staff annual mandatory training such like fire training etc.

4.19 We are currently working with a Cyber partner company to carry out some cyber related audits. These will focus on our Medical IoT Devices that are in use across our sites. The recommendations from these audits will help us to further harden our environment against attack and how we can better protect both these devices and the wider estate.

4.20 The Trust Board has continued to invest in tool sets that IM&T use to combat threats. As such an example of this is a dedicated management and vulnerability tool for our server estate. This tool will allow greater visibility, reporting and remediation options. With the nature of Cyber Security this is a continually changing landscape so confirmed investment is always required.

### **Processes for assuring the Board that staffing processes are safe, sustainable and effective**

4.21 There are a number of ways in which the Trust ensures that short, medium and long term workforce needs are identified and staffing systems applied to assure the Board that staffing is safe, sustainable and effective. Workforce plans are developed at specialty and divisional level and include recruitment, retention and workforce transformation and efficiency plans, informed by clinical strategies and aligned to operational and financial planning. As for all NHS organisations, staffing to the level of demand remains challenging. In 2023-24 the Trust has improved (reduced) turnover and vacancy levels and improved staff satisfaction (NHS staff survey). Some roles and professions have particular challenges.

4.22 National Quality Board standards, NICE guidance, NHSE guidance, Model Hospital data and recommendations from Royal Colleges and the output of national taskforces on workforce (eg Ockenden) are used to inform the staffing levels required to deliver high quality and safe services in acute hospital environments. Any changes to staffing profiles (numbers and skills) are subject to Quality Impact Assessment at divisional level and reviewed by the Chief Medical Officer and Chief Nurse prior to implementation. An

assessment of the nursing establishment and skill mix is reported to the Board twice a year, in accordance with National Quality Board guidance.

4.23 Through regular reporting to the Board and its People Committee, workforce and safer staffing reports are provided and are triangulated against quality and other metrics to ensure our staffing processes are safe, sustainable and effective. Workforce risks are identified and monitored in the Board Assurance Framework and risk registers. An internal audit programme includes periodic checks on workforce areas such as recruitment or processes such as rostering.

4.24 The Trust has a Guardian for Safe Working Hours roles, who work closely with educational and clinical supervisors to ensure that the health, wellbeing and safety of junior doctors is maintained. The reporting on exception reports and other matters and concerns raised by junior doctors to the People Committee which monitors how those are being addressed.

4.25 During 2023/24, the health and wellbeing of staff has remained a key priority with an extensive number of interventions to support the physical, emotional and financial health needs of our workforce. This has included action to support staff in financial hardship with support from the Trust charities. Regular updates to the People Committee are in place.

4.26 Daily reporting of staffing capacity, including absence, is in place through the use of e-rostering systems now deployed. These provide visibility of staffing and the ability to adjust deployment reflecting any changes in activity levels or acuity of patients. The systems also allow monitoring of any use of additional staffing (bank and agency) and the reasons. During periods of pressure, such as industrial action or critical incident the Trust's business continuity arrangements provide for the re-call and re/deployment of staff as required.

4.27 There are robust governance structures in place that oversee the efficiency and effectiveness of our staffing systems that ultimately report into the Quality and People Committees of the Board. Maintaining workforce capacity and capability to ensure it is safe and appropriate is a key feature of risk management at divisional and Trust level. This is supported by daily service safety huddles and processes overseeing the deployment of staff. The Trust's BAF in 2023/24 has reflected increased risks around staffing, including the pressure on staff, general morale and industrial action, but also some improvement in support for wellbeing (reflected in improved staff survey results).

4.28 From August 2023 the Trust has appointed the independent Guardian Service to support staff being able to raise any concerns they do not feel able to raise internally. The service is available 24/7 365 days a year and has arrangements to escalate any immediate patient safety concerns, including any issues regarding safe staffing. Of 144 cases raised to the end of February 2024 10 related to patient safety (including possibly staffing). The Independent Guardian reports to the People Committee quarterly.

4.29 NHS employment checks standards are applied to recruitment of staff and were last subject to an internal audit in 2021/22. CQC last reviewed the Trust's application of the Fit and Proper Person Test in October 2022 (Well led inspection report published in May 2023) and was satisfied these were being applied.

4.30 The Trust uses Patient First to support safe staffing and has a 'True North' of being the best acute Trust for staff engagement. Achieving that True North is supported by several programmes of work including a Strategic Initiative on Leadership, Culture and OD with interventions on leadership development, equality and inclusion and violence prevention and reduction (including sexual safety). Divisions are also supported to develop their own improvements plans based on staff survey results and local engagement. These programmes are monitored by the Board through its People Committee. There has been particular focus in 2023/24 on 'staff voice that counts' ensuring staff voices are heard and that issues are acted on with feedback provided. This reflected feedback from the staff survey in 2021 and CQC observations.

### **Processes for managing regulatory risk**

4.31 University Hospitals Sussex NHS Foundation Trust across 2023/24 has received a number of inspections by the CQC in relation to services across each of its hospital sites. These inspections resulted in the first Trust wide ratings for University Hospitals Sussex with each hospital site being rated as "required improvement". During the year the Trust entered into a series of Provider Licence Undertakings with NHS England. These undertakings, which include a commitment to delivering both CQC improvements and performance improvements, are overseen by a Board established Quality and Safety Improvement Committee. The Trust remains compliant with the requirement from the CQC to cease to undertake elective Upper GI Cancer Surgery. With this reduction in service in place the Trust remains fully compliant with the registration requirements of the Care Quality Commission.

4.32 The Trust through its delivery of its carefully constructed Quality and Safety Improvement Programme and its continuing deployment its Patient First Improvement programme continues to ensure that there remains a focus on improvement covering improving quality, the patient experience and on ensuring the Trust is sustainable, which are key to the delivery of the Trust's True North and Breakthrough Objectives.

4.33 The Quality Committee supported the Board by maintaining a focus on the Trust's actions in respect of the mandated maternity metrics through the receipt of regular and comprehensive maternity performance dashboards alongside dedicated reports in respect to the Trust's own assessment against the nationally recommended improvements to all NHS Maternity Services. The Committee received assurance during the year over the Trust's ability to meet the Maternity Incentive Scheme improvements which resulted in the Trust being judged by NHS Resolution as achieving the year 5 requirements in full.

4.34 During the period of this report the Trust regrettably had four (one in the prior year) Never Events reported at the Royal Sussex County Hospital, and received three (three in the prior year) Prevention of Future Deaths (PFD) notifications. These three reports all related to coroner inquires in respect of deaths that occurred before the 1 April, two relating to the Princess Royal Hospital, and one relating to Worthing Hospital. Never Events and Serious Incidents (SI) are subject to a thorough internal review to identify themes and learning. Up until December 2023 the Trust applied the 2015 NHSE Serious Incident Framework processes for undertaking root cause analysis methodology in respect of the Coroner notifications. A full investigation is undertaken and the outcome and recommendations reported to the Trust Board for each serious incident. All serious incidents including Never Events were reported as required to the Care Quality Commission, Sussex Integrated Care Board, NHS Improvement and to NHS England. Since December 2023 the Trust has implemented the new NHSE Patient Safety Incident Response Framework (PSIRF) reporting all serious incidents as Patient Safety Incident Investigations (PSII).

4.35 The Trust has maintained and published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance. This register records the details of the Trust senior decision makers, including Board members and Trust Directors.

4.36 As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

4.37 Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

4.38 The foundation Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

## **5. Review of economy, efficiency and effectiveness of the use of resources**

5.1 The Board receives a monthly report from the Chief Financial Officer on financial performance. Financial performance is reviewed at the Trust Executive Committee to ensure that all senior leaders have visibility on the position and the actions required. Financial performance is scrutinised in detail at the Finance and Performance Committee.

5.2 The Trust has maintained a robust structure for the identification and delivery of efficiency programmes. This is supported by a Programme Management Office and oversight provided by an Executive led efficiency and workforce steering group. Reports are also provided monthly to Sustainability Committee. The Trust in 2023/24 revised its financial forecast which saw the Board approve a deficit plan, with this revised position agreed with the ICB and NHS England.

5.3 Through the establishment of the Quality and Safety Improvement Programme and the activity performance meetings with NHS England in respect of RTT and Cancer the Trust is maintaining its focus on meeting its provider licence undertakings. The outcome of this work is both reported internally to the Board and Governors along with externally to the NHS Sussex and NHS England through the establish system oversight meetings.

## **6. Information governance**

6.1 In line with standing guidance from NHS Digital on the reporting and classification of Data Protection and Security Incidents, the Trust is reported four (nil in prior year) incidents to the Information Commissioner's Office.

6.2 Each year the Trust completes and submits the Data Security and Protection Toolkit (DSPT) to demonstrate its compliance against the National Data Guardian's National Data Security Standards. NHS Digital set a deadline of 30 June 2024 for submission and the Trust is pleased to confirm that all standards were met for that year. The 2024 DSPT is currently being worked on, for submission in June 2024, and the standards are expected to be met again.

## **7. Data Quality and Governance**

7.1 The Trust has a comprehensive suite of near real time daily reports, which allow detailed patient level review at an operational level, allowing for trend analysis. There is a validation process undertaken by teams for patients who exceed four and twelve hours in department and the outcome of this is submitted nationally each respective day. The Trust captures daily A&E breach information on 4 hourly site reports which are cross referenced against electronic A&E data capture which helps ensure understanding and reconciliation of any discrepancies between daily performance (as reported via the Symphony system) and that observed by site management teams.

7.2 The Trust has invested in its Business Intelligence reporting development in 2022/23 which has led to production of reports and Trust wide portal using the web-based Power Business Intelligence platform "Compass BI". This has enhanced accessibility, enabled staff to drill down to various analyses, and is helping the wider Trust and Business Intelligence team to further focus on Data Quality improvements from data entry to reporting, to improve empirical decision making. There is a development plan and a number of audit recommendations that the Trust are reviewing and implementing.

7.3 For Referral to Treatment (RTT) performance, there is a validation process undertaken, underpinned by the patient access policy and RTT Rules Suite, whereby longest waiters are reviewed and tracked at a patient level for their accuracy, and the validated cohort of patients are updated daily up to the point at which monthly reporting is finalised (approximately 10th of subsequent month). This is supported by divisional and corporate weekly meetings where trends and anomalies are tracked and rectified. The Trust continues to submit a weekly National patient level dataset which has inbuilt quality measures to drive target data quality improvements. The Trust also provides weekly 78 and 104 wait monitoring for regional and ICS colleagues, which has further enhanced DQ review for this cohort of patients.

7.4 For cancer, patient level information is reviewed daily as part of MDT meetings and tracking processes, captured in detail on the National Somerset system, with a range of daily updated performance and operational tracking reports to support patient pathway management. The Trust has also developed merged reporting processes.

7.5 More widely, the Trust access the national Secondary User System Clinical Data Set data quality dashboards which provide assurance around completeness of key administrative data items (patient details) broken down by main activity types (A&E, inpatient and outpatient activities) where the Trust has performed well above target level in terms of completeness of records. The data quality team proactively undertake data cleansing activities on the Patient Administration System daily, acting on a suite of automated reports and results from the trace files sent to the national Personal Demographic Services (PDS).

7.6 The Trust continues to develop a data quality kite marking process which visually shows the quality of the underlying data across a number of elements, including the timeliness of the data, the strength of internal independent validation etc. This process was applied to the key performance indicators reported to the Trust's Committee.

7.7 The Trust continues to review current information relating to key constitutional standards, so as to be able to provide an aggregated view of the Trust. This provides continuous opportunity to review definitions and align methods of collection to improve consistency. Development of a data warehouse as a repository for combined information allows efficient and direct comparison of performance and key drivers across Trust sites, across various dimensions. This work will be developed further in 2024/25.

7.8 The Trust has recently set up new Trust wide governance to support Data Quality which is jointly chaired by the Director of Performance and Business Intelligence and the Chief Information Officer. This has cross organisation representation and will drive the wider Trust Data quality improvements leading in to the planned Electronic Patient Record system procurement.

7.9 The Trust Strategy Deployment Reviews continue at a divisional level in 2023/24 which allows executive level scrutiny of performance trends which

provides another layer of assurance in terms of performance (and its associated data quality). The process adopts a review of key performance metrics, whereby a drop in performance trend elicits a structured stratification of reasons for performance slippage, and mitigation and recovery actions to recover performance. This is an opportunity to cover data quality concerns alongside key operational constraints, or demand pressures. This is part of the Trust True North/Patient First governance arrangements all of which prioritise patient care, and allow the core operational priorities to be aligned and understood from board to floor. The Trust Patient First Improvement programme reviews data on a granular level to establish baselines, and monitor improvement, the scrutiny of which contributes to maintained high quality data.

## **8. Review of effectiveness**

8.1 As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation Trust who have responsibility for the development and maintenance of the internal control framework.

### *8.2 Head of Internal Audit Opinion*

8.3 Internal audit provide an independent and objective opinion on the degree to which risk management, control and governance support the achievement of the Trust's objectives.

8.4 Based on work undertaken during 2023/24 the Head of Internal Audit has stated in their Head of Internal Audit Opinion that they "are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently".

8.5 In forming our view we have taken into account that; the Trust submitted a revised deficit financial plan for 2023/34, that management had been proactive in directing internal audit to review areas of known risk and therefore through the recommendations made been able to progress with the control improvements, that in the current year the majority of audits provided substantial or moderate assurance in the design of controls and whilst three audits did provide limited assurance for operational effectiveness in each of these areas management responded positively to the recommendations made. Internal Audit concluded that through their work on key audits including key financial systems that in the areas of core assurance the Trust continues to perform strongly.

8.6 Internal Audit also reflected that the Trust has a good record in implementing internal audit recommendations and at the year end where action had not been completed Internal Audit have confirmed action was in progress and these did not pose any unaddressed significant risk.

### 8.7 External Audit

8.8 External Audit report to the Trust on the findings from their audit work, in particular their audit of the financial statements and the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources (the Value for Money Conclusion). For 2023/24 an unqualified audit opinion has been issued in respect of the financial statements. Within the Value for Money Conclusion the External Auditors provide a conclusion within three areas these being financial sustainability, governance and improving economy, efficiency, and effectiveness. Within the areas of financial sustainability and quality governance the conclusion reflects there are significant weakness, with three key recommendations being made.

### 8.9 Counter-fraud

8.10 The Trust is required under Service Condition 24 of the Standard NHS Commissioning Contract to ensure appropriate counter fraud measures are in place.

8.11 The Local Counter Fraud Specialist (LCFS) adopts a risk-based approach to counter fraud work, identifying areas of potential vulnerability. Relevant local proactive exercises (LPEs) are consequently built into the Trust's annual counter fraud work plan, which includes activity relating to the four main NHS Counter Fraud Authority (CFA) standards: Strategic Governance, Inform and Involve, Prevent and Deter, and Hold to Account and which is overseen by the Audit Committee. The LCFS helps to foster an anti-fraud culture within the Trust through delivery of an ongoing training programme across a wide range of staff groups. This features regular presentations on counter fraud and on compliance with the UK Bribery Act 2010. The LCFS attends each meeting of the Audit Committee to present a report on their work.

8.12 The LCFS has not identified any significant control weaknesses during their work. Where improvements have been identified then, similar to Internal Audit they make recommendations and the delivery of these is tracked and reported to the Audit Committee.

### 8.13 Health and Safety

8.14 The Health and Safety Executive (HSE) has undertaken a number of visits, the visits to the Trust's pathology department resulted in a formal set of recommendations to improve processes in relation Formalin management. The Trust is responding to these recommendations having taken action once the HSE report was received. The HSE within a separate visit to the RSCH laboratory sought urgent improvements be made to the efficacy of unit's seals required to deal with any possible decontamination activity. The improvements were made within 24 hours of the issue being flagged.

8.15 The Medicines Health Regulatory Agency undertook an inspection of the Trust's blood sciences facilities at the Royal Sussex County Hospital and

identified that the Trust was undertaking activity in excess of its staffing establishment. The Trust has reduced its activities whilst working to right size its workforce, during this period the Trust secured support externally to reduce the impact of this on patients.

8.16 The Human Tissue Agency made a number of recommendations in its review of the Trust's processes in 2022/23. An action plan was created and agreed with the HTA who recognised that for a small number of actions these would not be concluded until later in 2023/24. Unfortunately, not all these actions have been completed in line with these original timescales and is engaging with the HTA about revisions to these. The HTA have indicated the acceptance of the delivered actions but given the delays with the remaining actions have indicated they intend to revisit the Trust to assess the risks in those areas.

8.17 The Environment Agency undertook a visit to assess the Trust's Waste Management processes and concluded that these processes were well designed and operated effectively.

8.18 The oversight of Health and Safety risks is provided by the Trust's Health and Safety Committee which reports directly to the Audit Committee.

#### *8.19 Board Committees*

8.20 The Board and its Committees form an important aspect of control and I have been advised during my review by the work of the Audit Committee where the results of the work of the Trust's auditors are received along with the work of the Patient First thematic Committees of Patient and Quality, People, Sustainability, Systems and Partnership and Research and Innovation during 2023/24. During 2023/24 the Board established a dedicated oversight committee in respect of the Trust's developed Quality and Safety Improvement Plan.

#### *8.21 Patient First Thematic Committees*

8.22 Each of the patient first thematic committees, is chaired by a Non-Executive Director each provide me and the Board with a flow of assurance over the effectiveness of the established systems of internal control, risk management and operational performance delivery and reporting.

8.23 With the movement of the oversight of the Trust's patient domain to the established Patient and Quality Committee this Committee was repurposed to the Research and Innovation Committee with the Committee receiving information on the delivery of the Trust's Research and Innovation Strategy. For 2024/25 this Committee will assume responsibility for the provision of assurance to the Board over the Trust's digital strategy delivery.

8.24 During the year the Patient and Quality Committees combined recognising the inter-relationship of assurance reporting through these to domains. This Committee has received regular reports on the Trust's patient

experience and quality performance and risks, learning from complaints and investigations into untoward incidents along with regular maternity perinatal performance dashboards. The Quality Committee has also received information from the Non Executive and Executive champions for Maternity who are the Quality Committee Chair and Chief Nurse respectively. The Committee supported the assurance flow to the Board that quality key risks have been managed during the year especially that there have been no significant patient safety matters arising during the year especially around CQC recommendation delivery.

8.25 During the year the Sustainability Committees has received regular reports on the Trust's financial position, the management of its cash position and the delivery of the Trust's capital programme, along with the delivery of the Trust's efficiency programme and reports covering workforce, procurement, IM&T and the Trust's environmental sustainability strategy. For 2024/25 this Committee is to be combined with the Systems and Partnership Committee recognising the interlinkage between the key areas of productivity enhancement, efficiency and transformation.

8.26 The Systems and Partnership Committee received regular reports on the delivery of the Trusts performance measures and received a series of more in depth reports covering specific aspects of performance and improvement projects. This Committee supports the Board secure assurance over the Trust's delivery against its performance undertakings and NHS England Tier One improvement plans.

8.27 The People Committee across the year received regular reports on the Trust's people key performance indicators, staff wellbeing initiatives and the Trust's developed leadership and organisational development programme. This Committee has supported the Board with its assurance flow that the Trust's key people risks are being managed during the year whilst recognising the operational pressures have impacted on the Trust key people risks. The People Committee also consider the Trust's developing Equality, Diversity and Inclusion Strategy as well as oversight of the Trust's staff well being activities. The Committee has restructured its agenda to bring a focus on cultural development for 2024/25 building on the Committee's oversight of the Trust's developed Leadership, Culture and Development strategic initiative.

#### 8.28 *Quality and Safety Improvement Programme Committee*

8.29 This Committee is chaired by a Non-Executive Director and provides me and the Board with a flow of assurance over the delivery of the established improvement programme. The Committee also supports the validation of the assurance provision to the ICS and NHS England on the Trust's delivery against the Trust's licence undertakings.

#### 8.30 *Board Assurance Framework*

8.31 During the year covered by this report the Board Assurance Framework reporting framework has been maintained which has seen the structured flow

of assurance reporting to the Board on the controls managing the Trust's key risks to the delivery of the Trust's identified True North and associated breakthrough objectives. This process plays a key role in articulating where gaps in control exist and the tracking of devised actions to mitigate these.

#### 8.32 *Wider processes*

8.33 My review is also informed by the Trust's processes for:

- monitoring the delivery of improvements flowing from the receipt of the outcome of the Annual Staff Survey
- monitoring the delivery of improvements from the learning identified from complaints and the investigation of untoward incidents
- tracking the outcomes from the programme of work undertaken by internal and external auditors as well as Counter Fraud
- delivering improvements from the outcomes of external reviews and external assurance visits across the Trust's services and
- delivering improvements identified within the Quality and Safety Improvement Programme aligned to the delivery of the Trust's provider licence undertakings.

8.34 These processes culminate in reporting to the Board through the revised Divisional and Executive governance processes on the state of the Trust's systems of internal control.

8.31 I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, the patient, quality, people, sustainability and systems and partnerships committees along with the quality and safety improvement committee and the positive feedback provided within the NHS England and ICB assurance meetings. Where improvements have been highlighted then and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## **9. Conclusion**

9.1 I have considered the factors described in the NHS Improvement guidance on the 2023/24 annual governance statement in respect of significant issues.

9.2 During the period 1 April 2023 to 31 March 2024 and up to the time of signing the accounts the Trust has undertakings on its Licence, I recognise the significance of these internal control weaknesses, especially within the areas of performance and quality governance.

9.3 Oversight of the Trust's management of these challenges continues at the Board and through its Committees with each being assured that the Trust has applied its resources to address the significant operational challenges and sustain the improvements within our overall quality governance framework.

The Board through the Quality and Safety Improvement Programme Committee has ensured the control improvements within the improvement programme are progressing in line with agreed action plans. The delivery of these improvements and those relating to operational performance are reported formally to both the ICB and NHS England as part of the routine quarterly oversight meetings. Operational Performance (RTT) improvement is also reported to NHS England within the established tier one oversight meetings.

9.4 Where wider opportunities for improvement have been identified I have overseen actions to ensure that we continue to improve the systems of internal control we operate for the benefits of our patients, staff and the wider community we serve.

Signed (by order of the Board of Directors)



.....  
**Dr George Findlay, Chief Executive 26 June 2024**

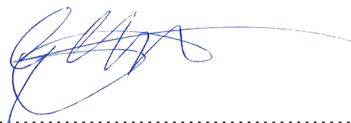
University Hospitals Sussex NHS Foundation Trust

Annual accounts for the year ended 31 March 2024

**Foreword to the accounts**

**University Hospitals Sussex NHS Foundation Trust**

These accounts, for the year ended 31 March 2024, have been prepared by University Hospitals Sussex NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

**Signed**  .....

**Name** Dr George Findlay  
**Job title** Chief Executive  
**Date** 26 June 2024

**Consolidated Statement of Comprehensive Income**

	Note	Group		Trust	
		2023/24	2022/23	2023/24	2022/23
		£000	£000	£000	£000
Operating income from patient care activities	4	1,408,733	1,339,963	1,408,733	1,339,963
Other operating income	5	115,639	113,388	117,688	113,083
Operating expenses	8, 10	(1,677,809)	(1,492,690)	(1,676,465)	(1,493,445)
<b>Operating deficit from continuing operations</b>		<b>(153,437)</b>	<b>(39,339)</b>	<b>(150,044)</b>	<b>(40,399)</b>
Finance income	12	3,274	2,616	2,643	2,169
Finance expenses	13	(5,605)	(5,507)	(5,604)	(5,507)
PDC dividends payable		(21,409)	(16,600)	(21,409)	(16,600)
<b>Net finance costs</b>		<b>(23,740)</b>	<b>(19,491)</b>	<b>(24,370)</b>	<b>(19,938)</b>
Other (losses) / gains	14	(1,256)	(1,038)	(1,610)	50
Corporation tax expense		(273)	(450)	-	-
<b>Deficit for the year</b>	2	<b>(178,706)</b>	<b>(60,318)</b>	<b>(176,024)</b>	<b>(60,287)</b>
<b>Other comprehensive income</b>					
<b>Will not be reclassified to income and expenditure:</b>					
Impairments	9	(47,091)	(6,837)	(47,091)	(6,837)
Revaluations	20	4,421	29,177	4,416	29,177
<b>Total comprehensive expense for the period</b>		<b>(221,376)</b>	<b>(37,978)</b>	<b>(218,699)</b>	<b>(37,947)</b>
<b>Deficit for the period attributable to:</b>					
University Hospitals Sussex NHS Foundation Trust		(178,706)	(60,318)	(176,024)	(60,287)
<b>TOTAL</b>		<b>(178,706)</b>	<b>(60,318)</b>	<b>(176,024)</b>	<b>(60,287)</b>
<b>Total comprehensive expense for the period attributable to:</b>					
University Hospitals Sussex NHS Foundation Trust		(221,376)	(37,978)	(218,699)	(37,947)
<b>TOTAL</b>		<b>(221,376)</b>	<b>(37,978)</b>	<b>(218,699)</b>	<b>(37,947)</b>

Note that the Group Accounts include the consolidation of My University Hospitals Sussex (Registered charity No. 1050864) and Pharm@Sea Limited (wholly owned subsidiary).

## Statements of Financial Position

	Note	Group		Trust	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
		£000	£000	£000	£000
<b>Non-current assets</b>					
Intangible assets	16	35,603	33,463	35,603	33,463
Property, plant and equipment	17, 18	953,059	1,120,983	952,939	1,120,844
Right of use assets	21	45,987	57,453	45,970	57,453
Other investments / financial assets	23	12,002	15,841	1,101	1,101
Receivables	27	10,139	9,707	10,176	9,750
<b>Total non-current assets</b>		<b>1,056,790</b>	<b>1,237,447</b>	<b>1,045,789</b>	<b>1,222,611</b>
<b>Current assets</b>					
Inventories	26	21,602	18,570	20,582	17,778
Receivables	27	53,399	76,388	52,781	76,458
Cash and cash equivalents	29	21,590	60,524	19,669	56,956
<b>Total current assets</b>		<b>96,591</b>	<b>155,482</b>	<b>93,032</b>	<b>151,192</b>
<b>Current liabilities</b>					
Trade and other payables	30	(163,394)	(196,391)	(163,936)	(195,027)
Borrowings	32	(11,972)	(12,074)	(11,959)	(12,074)
Provisions	33	(4,449)	(1,729)	(4,448)	(1,729)
Other liabilities	31	(2,123)	(2,746)	(2,123)	(2,747)
<b>Total current liabilities</b>		<b>(181,938)</b>	<b>(212,940)</b>	<b>(182,466)</b>	<b>(211,577)</b>
<b>Total assets less current liabilities</b>		<b>971,443</b>	<b>1,179,989</b>	<b>956,355</b>	<b>1,162,226</b>
<b>Non-current liabilities</b>					
Borrowings	32	(128,969)	(127,530)	(128,967)	(127,530)
Provisions	33	(5,185)	(8,568)	(5,162)	(8,545)
<b>Total non-current liabilities</b>		<b>(134,154)</b>	<b>(136,098)</b>	<b>(134,129)</b>	<b>(136,075)</b>
<b>Total assets employed</b>		<b>837,289</b>	<b>1,043,891</b>	<b>822,226</b>	<b>1,026,151</b>
<b>Financed by</b>					
Public dividend capital		1,027,188	994,686	1,027,188	994,686
Revaluation reserve		121,180	169,427	121,175	169,427
Income and expenditure reserve		(324,197)	(136,127)	(326,137)	(137,962)
Charitable fund reserves	25	13,118	15,905	-	-
<b>Total taxpayers' equity</b>		<b>837,289</b>	<b>1,043,891</b>	<b>822,226</b>	<b>1,026,151</b>

Note that the Group Accounts include the consolidation of My University Hospitals Sussex (Registered charity No. 1050864) and Pharm@Sea Limited (wholly owned subsidiary).

The notes on pages 9 to 73 form part of these accounts.

**Name** Dr George Findlay  
**Job title** Chief Executive  
**Date** 26 June 2024

**Consolidated Statement of Changes in Equity for the year ended 31 March 2024**

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2023 - brought forward</b>	<b>994,686</b>	<b>169,427</b>	<b>(136,127)</b>	<b>15,905</b>	<b>1,043,891</b>
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(17,728)	-	(17,728)
Surplus/(deficit) for the year	-	-	(178,921)	215	(178,706)
Other transfers between reserves	-	(5,444)	5,444	-	-
Impairments	-	(47,091)	-	-	(47,091)
Revaluations	-	4,421	-	-	4,421
Transfer to retained earnings on disposal of assets	-	(133)	133	-	-
Public dividend capital received	32,502	-	-	-	32,502
Other reserve movements	-	-	3,002	(3,002)	-
<b>Taxpayers' and others' equity at 31 March 2024</b>	<b>1,027,188</b>	<b>121,180</b>	<b>(324,197)</b>	<b>13,118</b>	<b>837,289</b>

**Consolidated Statement of Changes in Equity for the year ended 31 March 2023**

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>	<b>944,765</b>	<b>152,157</b>	<b>(81,829)</b>	<b>16,855</b>	<b>1,031,948</b>
Deficit for the year	-	-	(59,720)	(598)	(60,318)
Other transfers between reserves	-	(5,028)	5,028	-	-
Impairments	-	(6,837)	-	-	(6,837)
Revaluations	-	29,177	-	-	29,177
Transfer to retained earnings on disposal of assets	-	(42)	42	-	-
Public dividend capital received	49,921	-	-	-	49,921
Other reserve movements	-	-	352	(352)	-
<b>Taxpayers' and others' equity at 31 March 2023</b>	<b>994,686</b>	<b>169,427</b>	<b>(136,127)</b>	<b>15,905</b>	<b>1,043,891</b>

\* Absorption transfers are recorded based on the book values of assets and liabilities transferring.

Note that the Group Accounts include the consolidation of My University Hospitals Sussex (Registered charity No. 1050864) and Pharm@Sea Limited (wholly owned subsidiary).

**Statement of Changes in Equity for the year ended 31 March 2024**

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2023 - brought forward</b>	<b>994,686</b>	<b>169,427</b>	<b>(137,962)</b>	<b>1,026,151</b>
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(17,728)	(17,728)
(Deficit) for the year	-	-	(176,024)	(176,024)
Other transfers between reserves	-	(5,444)	5,444	-
Impairments	-	(47,091)	-	(47,091)
Revaluations	-	4,416	-	4,416
Transfer to retained earnings on disposal of assets	-	(133)	133	-
Public dividend capital received	32,502	-	-	32,502
<b>Taxpayers' and others' equity at 31 March 2024</b>	<b>1,027,188</b>	<b>121,175</b>	<b>(326,137)</b>	<b>822,226</b>

**Statement of Changes in Equity for the year ended 31 March 2023**

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2022 - brought forward</b>	<b>944,765</b>	<b>152,157</b>	<b>(82,745)</b>	<b>1,014,177</b>
(Deficit) for the year	-	-	(60,287)	(60,287)
Other transfers between reserves	-	(5,028)	5,028	-
Impairments	-	(6,837)	-	(6,837)
Revaluations	-	29,177	-	29,177
Transfer to retained earnings on disposal of assets	-	(42)	42	-
Public dividend capital received	49,921	-	-	49,921
<b>Taxpayers' and others' equity at 31 March 2023</b>	<b>994,686</b>	<b>169,427</b>	<b>(137,962)</b>	<b>1,026,151</b>

**Information on reserves**

**Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

**Revaluation reserve**

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

**Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the trust.

**Charitable funds reserve**

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 25.

## Statements of Cash Flows

	Note	Group		Trust	
		2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
<b>Cash flows from operating activities</b>					
Operating deficit		(153,437)	(39,339)	(150,044)	(40,399)
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	8.1	49,779	42,340	49,740	42,316
Net impairments	9	164,049	48,449	164,049	48,449
Income recognised in respect of capital donations	5	(372)	(695)	(2,799)	(843)
(Increase) / decrease in receivables and other assets		24,424	(40,155)	24,883	(40,169)
Increase in inventories		(3,032)	(280)	(2,804)	(430)
Decrease in payables and other liabilities		(38,282)	33,030	(37,348)	34,340
Decrease in provisions		(1,133)	(3,934)	(1,134)	(3,976)
Movements in charitable fund working capital		(1,195)	453	-	-
Tax paid		(275)	(450)	-	-
<b>Net cash flows from operating activities</b>		<b>40,526</b>	<b>39,419</b>	<b>44,543</b>	<b>39,288</b>
<b>Cash flows from investing activities</b>					
Interest received		2,892	1,816	2,805	1,815
Purchase of intangible assets		(5,248)	(10,653)	(5,248)	(10,653)
Purchase of PPE and investment property		(73,254)	(101,992)	(73,254)	(101,992)
Sales of PPE and investment property		3	50	3	96
Initial direct costs or up front payments in respect of new right of use assets (lessee)		(59)	(52)	(53)	(52)
Receipt of cash donations to purchase assets		372	695	2,799	843
Finance lease receipts (principal and interest)		257	208	263	214
Net cash flows from charitable fund investing activities		539	446	-	-
<b>Net cash flows from investing activities</b>		<b>(74,498)</b>	<b>(109,482)</b>	<b>(72,685)</b>	<b>(109,729)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		32,502	49,921	32,502	49,921
Movement on loans from DHSC		(4,240)	(4,740)	(4,240)	(4,740)
Capital element of lease liability repayments		(5,698)	(4,589)	(5,687)	(4,589)
Capital element of PFI, LIFT and other service concession payments		(4,262)	(1,767)	(4,262)	(1,767)
Interest on loans		(1,177)	(1,280)	(1,177)	(1,280)
Other interest		(41)	-	(43)	-
Interest paid on lease liability repayments		(732)	(614)	(731)	(614)
Interest paid on PFI, LIFT and other service concession obligations		(2,191)	(3,134)	(2,191)	(3,134)
PDC dividend (paid) / refunded		(23,316)	(17,589)	(23,316)	(17,589)
Net cash flows from charitable fund financing activities		4,193	-	-	-
<b>Net cash flows from / (used in) financing activities</b>		<b>(4,962)</b>	<b>16,208</b>	<b>(9,145)</b>	<b>16,208</b>
<b>Decrease in cash and cash equivalents</b>		<b>(38,934)</b>	<b>(53,855)</b>	<b>(37,287)</b>	<b>(54,233)</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>60,524</b>	<b>114,379</b>	<b>56,956</b>	<b>111,189</b>
<b>Cash and cash equivalents at 31 March</b>	29.1	<b>21,590</b>	<b>60,524</b>	<b>19,669</b>	<b>56,956</b>

Note that the Group Accounts include the consolidation of University Hospitals Sussex Charity, which operates as My University Hospitals Sussex (Registered charity No. 1050864) and Pharm@Sea Limited (wholly owned subsidiary).

**Notes to the Accounts****Note 1 Accounting policies and other information****Note 1.1 Basis of preparation**

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2023/24 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

**Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

**Note 1.2 Going concern**

The annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

As at 1 April 2024, Brighton and Sussex University Hospitals NHS Charitable Fund and Western Sussex Hospitals Charity, which operates as Love Your Hospital Charity merged to form My University Hospitals Charity. The future cashflow projection of the Charity provides the corporate trustee with a reasonable expectation that the charitable activity will continue for the foreseeable future. The charity also has £12m held in investments that the charity could easily liquidate if required to support the going concern status of the charity. For this reason, the corporate trustee has adopted the going concern basis in preparing the accounts.

Pharm@Sea Limited has remained operational throughout the year. The financial year 2023/24 has seen the volume of patients and prescriptions increase week on week. This remains closely monitored and supply chains planned accordingly. The company has been profitable throughout the year. The Board of directors have a reasonable expectation that the services provided by the company will continue to be provided for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts.

**Note 1.3 Consolidation**

The entities included in these accounts are University Hospitals Sussex NHS Foundation Trust (Parent entity), My University Hospitals Sussex (Registered charity No. 1050864) and Pharm@Sea Limited (wholly owned subsidiary).

All three organisations have a coterminous year end of 31 March 2024 with aligned accounting policies. Any intra group balances have been eliminated on consolidation.

**NHS Charitable Fund**

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entities' returns, where those funds are determined to be material. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.

The trust is the Corporate Trustee to My University Hospitals Sussex (Registered charity No. 1050864). The trust has assessed its relationship to the charitable fund and determined them both to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable funds and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

**Other subsidiaries**

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity, and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. Any intra group balances have been eliminated on consolidation. The amounts consolidated are drawn from the published financial statements of Pharm@Sea Limited for the year.

**Associates**

Associate entities are those over which the trust has the power to exercise a significant influence. The trust has no associates.

**Joint ventures**

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The trust has no joint ventures.

**Joint operations**

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses. The trust does not have joint operations.

#### **Note 1.4 Revenue**

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- The trust is not required to disclose information regarding performance obligations that are part of a contract that has an original expected duration of one year or less,
- The trust is not required to disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date;
- The FReM has mandated the exercise of the practical expedient offered in the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of revenue for the trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

#### **Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the trust accrues income relating to performance obligations satisfied in that year. Where the trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### **Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2022/23 fixed payments were set at a level assuming the achievement of elective activity targets within 'aligned payment and incentive' contracts.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15.

Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

#### **Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

#### **NHS injury cost recovery scheme**

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied.

In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

**Note 1.5 Other forms of income**

**Grants and donations**

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

**Apprenticeship service income**

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

**Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Group accrues income relating to performance obligations satisfied in that year. Where the Group's entitlement to consideration for those goods or services is unconditional, a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

There are no material contracts for which the performance obligation has not been satisfied as at 31 March 2024.

**Note 1.6 Expenditure on employee benefits**

**Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

## **Pension costs**

### *NHS Pension Scheme*

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

No employees are members of the Local Government Superannuation Scheme.

### **Note 1.7 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### **Note 1.8 Discontinued operations**

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Neither the group nor trust have discontinued operations.

### **Note 1.9 Property, plant and equipment**

#### **Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

#### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### **Measurement**

##### *Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost (DRC), modern equivalent asset (MEA) basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service being provided.

Under the MEA approach, the Trust has assumed VAT will be recovered on a new build at a similar rate to the 3Ts project.

Valuation guidance issued by the Royal Institute of Chartered Surveyors (RICS) states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13 if it does not meet the requirements of IAS 40 or IFRS 5.

#### *Depreciation*

Freehold land, assets under construction or development, and assets held for sale are not depreciated/amortised. Freehold land is considered to have an infinite life and is not depreciated.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the trust expects to obtain economic benefits or service potential from the asset. This is specific to the trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Property, plant, and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

#### *Revaluation gains and losses*

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### *Impairments*

At each financial year end, the trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, in accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

### **De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

They are valued, depreciated, and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets.

Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

#### **Government grant and other grant funded assets**

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

#### **Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust.

Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

##### *Initial recognition*

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

##### *Subsequent measurement*

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received
- Repayment of the finance lease liability, including finance costs, and
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

##### *Services received*

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

#### **PFI assets, liabilities, and finance costs**

The PFI assets are initially measured using the principles of IFRS 16. Subsequently, the assets are measured at current value in existing use per the policies applied under IAS 16.

A PFI liability equal to the capital value of the contract is recognised at the same time as the PFI assets are recognised. This does not include service elements and interest charges within the PFI contract which are expensed in accordance with IFRIC 12 as adapted and interpreted by the FR&M and as detailed below.

An annual finance cost is calculated by applying the implicit interest rate in the contract to the opening PFI liability for the period and is charged to 'Finance Costs' within the Statement of Comprehensive [Income / Net Expenditure].

An element of the annual unitary payment is therefore allocated as a financing cost when repaying the PFI liability over the life of the contract.

Where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The entity remeasures the PFI liability to reflect those revised payments only when there is a change in the cash flows (i.e. when the adjustment to the payments takes effect). The entity shall determine the revised payments for the remainder of the PFI arrangement based on the revised contractual payments. As subsequent measurement of the PFI asset is per IAS 16 than IFRS 16, the opposite entry to adjustment of the PFI liability for such remeasurements is charged to Finance Costs.

Given this represents a change in the measurement basis of the PFI liability for 1 April 2023, PFI liabilities have been remeasured to include all the index linked changes relating to the capital element of the contract which would have taken place since the arrangement commenced. The entity has remeasured this using a cumulative catch-up approach by which the cumulative effect of the change in measurement of the PFI liability is recognised as an adjustment to the opening balance of retained earnings (or other component of equity as appropriate). Comparative information has not been restated.

#### **Lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

*Initial application of IFRS 16 liability measurement principles to PFI liabilities*

IFRS 16 liability measurement principles have been applied to PFI and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

**Useful lives of property, plant and equipment**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	<b>Min life</b>	<b>Max life</b>
	<b>Years</b>	<b>Years</b>
Land	-	-
Buildings, excluding dwellings	-	95
Dwellings	5	71
Plant & machinery	1	35
Transport equipment	1	10
Information technology	1	10
Furniture & fittings	1	15

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

**Note 1.10 Intangible assets****Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

*Internally generated intangible assets*

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Internally-generated assets e.g. goodwill, brands, mastheads, publishing titles, customer lists and similar items are recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use;
- The trust intends to complete the intangible asset and use it;
- The trust has the ability to sell or use the intangible asset;
- How the intangible asset will generate probable future economic benefits or service potential;
- The availability of adequate technical, financial, and other resources to complete the intangible asset and sell or use it; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

*Software*

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

**Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

*Amortisation*

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

**Useful lives of intangible assets**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	<b>Min life Years</b>	<b>Max life Years</b>
Information technology	1	35
Software Licences & trademarks	1	10
Other (purchased)	1	7

**Note 1.11 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

**Note 1.12 Investment properties**

Neither the group nor trust have investment properties.

**Note 1.13 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

**Note 1.14 Financial assets and financial liabilities**

**Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

**Classification and measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

**Financial assets and financial liabilities at amortised cost**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

**Financial assets measured at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

**Financial assets and financial liabilities at fair value through income and expenditure**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

**Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

**Derecognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

**Note 1.15 Leases**

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

**The Trust as a lessee**

*Initial recognition and measurement*

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

*Subsequent measurement*

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

**The Trust as a lessor**

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

*Finance leases*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

*Operating leases*

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

**Initial application of IFRS 16 in 2022/23**

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

*The Trust as lessee*

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

*The Trust as lessor*

Leases of owned assets where the Trust was lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust was an intermediate lessor, classification of all continuing sublease arrangements was reassessed with reference to the right of use asset.

**Note 1.16 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation at the end of the reporting period.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		<b>Nominal rate</b>	<b>Prior year rate</b>
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	<b>Inflation rate</b>	<b>Prior year rate</b>
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

**Clinical negligence costs**

NHS Resolution (the trading name of the NHS Litigation Authority NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 33.3 but is not recognised in the Trust's accounts.

**Non-clinical risk pooling**

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

**Note 1.17 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 34 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 34, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

**Note 1.18 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care.

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

The average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries) but excluding consolidated charitable funds.

**Note 1.19 Value added tax**

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**Note 1.20 Corporation tax**

Corporation tax disclosed in the group accounts relates to tax on the activities of the wholly owned subsidiary, Pharm@Sea Limited. Tax is charged at 20% on the taxable profits of Pharm@Sea Limited. Deferred tax has been provided on the remaining unwound capital allowances.

The trust has determined that it has no corporation tax liability as it does not operate any commercial activities that are not part of core health care delivery.

**Note 1.21 Climate change levy**

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

**Note 1.22 Foreign exchange**

The functional and presentational currencies of the trust are pounds sterling and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. The trust has not entered into any material foreign exchange transactions and has no assets or liabilities held in foreign currencies.

**Note 1.23 Third party assets**

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

**Note 1.24 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

**Note 1.25 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

As at 31 March 2024 no gifts were made.

**Note 1.26 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

**Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted**

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2023-24. These Standards are still subject to HM Treasury FReM adoption.

**IFRS 17 Insurance Contracts**

The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 is yet to be adopted by the FReM which is expected to be from the 1 April 2025. Early adoption is not permitted.

**Note 1.28 Critical judgements in applying accounting policies**

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

For IFRS16 right of use assets, judgement taken by the trust that wherever there is no Lease contracts especially with NHS Property, the Trust intends on-going occupation of property. Following review of historic trust occupancy which exceeds 10 years, trust has estimated we will remain in there for the next 10 years. The trust has also reviewed the substance over legal form of arrangements for embedded right of use assets and estimated a useful life consistent with the maximum life of plant & machinery assets.

In addition to NHS Property the Trust also has an undocumented lease with Sussex Partnership for the use of facilities at Hove Polyclinic. Following review of historic trust occupancy which exceeds 10 years, trust has estimated we will remain in there until 2043.

**Note 1.29 Sources of estimation uncertainty**

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**Asset valuation**

The total balance of intangible, tangible fixed assets and right of use assets for the Group as at 31 March 2024 is £1,034.9m (2022/23 £1,211.1m) of which £781.3m (2022/23 £537.3m) relates to revalued estate assets.

Where non-estate assets are of low value and/or have short useful economic lives, such as operational equipment, they are carried at depreciated historical cost (cost less any accumulated depreciation) as this is not considered to be materially different from fair value. The lives of equipment assets are estimated using historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Intangible software licences are depreciated over the shorter of the term of the licence and the useful economic life. These are types of estimation, but they are less likely than the valuation of estate assets to present a significant risk of causing material misstatement.

The value and remaining useful lives of estate assets are estimated by the Trust's valuer, Gerald Eve LLP. Valuations are carried out annually and are performed in accordance with the Royal Institute of Chartered Surveyors' RICS Valuation – Global Standards ('Red Book Global Standards') and other relevant RICS guidance notes, primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. In particular, land and building assets at each site are valued as a single combined hospital facility ('single alternative site model'), as described in the previous section. The composition of this alternative replacement model requires the operation of significant levels of professional estimation by the valuer.

The performance of the 31 March 2024 update valuation was based on a RICS Building Cost Information Service All-in Tender Price Index (BCIS TPI) published on 31 March 2024 and no significant correction to this is anticipated. The Trust's valuation also depends on the BCIS Location Factor applied, and an estimation of external / economic obsolescence levels. If varied by 2 - 3%, these would generate changes in the valuation of the buildings circa 2 – 3 %.

Because the Trust undertakes annual revaluations of estate assets, estimation uncertainty relating to asset lives and depreciation does not present significant risk of causing material adjustments.

However, as in previous years, the Trust's reliance on valuation methods does present a risk of causing a material adjustment to the carrying amount of non-current assets.

#### Buildings valuation

Department of Health guidance specifies that the Group's land and buildings should be valued on the basis of depreciated replacement cost, applying the Modern Equivalent Asset (MEA) concept. The MEA is defined as "the cost of a modern replacement asset that has the same productive capacity as the property being valued." Therefore, the MEA is not a valuation of the existing land and buildings that the trust holds, but a theoretical valuation for accounting purposes of what the trust could need to spend in order to replace the current assets. In determining the MEA, the trust has to make assumptions that are practically achievable; however, the trust is not required to have any plans to make such changes.

The Group is satisfied that the assumptions underpinning the MEA valuation are practically achievable, would not change the services provided by the trust, and would not impact on service delivery or the level and volume of service provided. The Group does not intend to implement any of the theoretical assumptions that underpin the MEA valuation.

For the purpose of the MEA valuation, the Group has defined all of the Royal Sussex County Hospital, The Royal Alexandra Children's Hospital, the Sussex Eye Hospital, the Princess Royal Hospital, St Richards Hospital in Chichester and Worthing Hospital as buildings that provide specialist health care services. The MEA valuation in the accounts assumes that the Chichester and Worthing based hospitals could theoretically be provided from a location on the outskirts of Chichester (to the north of Bognor Regis) and Worthing (to the north of Littlehampton); and that the Brighton based hospitals could theoretically be provided from a location on the outskirts of Brighton (on the A27 ring road towards Portslade).

The MEA valuations used by the Group have been provided to the Group by the external valuers, Gerald Eve LLP. The Group has used component lives based upon contractual information provided by Gerald Eve LLP to depreciate buildings and dwellings on a component basis.

Under the MEA approach, trust sites will be multi-story hospital blocks built to a smaller footprint compared to the existing estate (similar to the 3Ts development). Following the delivery of the Louisa Martindale (3Ts Phase 1) which added 62,372 m<sup>2</sup> to the estate, The Group have identified that 30,953m<sup>2</sup> could be reduced from the RSCH MEA site, 3,643 m<sup>2</sup> from the Worthing MEA site, and 1,104m<sup>2</sup> from the Princess Royal site.

Under the MEA approach, the Trust has assumed VAT will be recovered on a new build at a similar rate to the 3Ts project. The value without the VAT adjustment is £556.3m.

#### Depreciation

The reported amounts for depreciation of property, plant and equipment and amortisation of non-current intangible assets can be materially affected by the judgements exercised in determining their estimated economic lives. Economic lives are determined in a number of different ways such as valuations (external professional opinion) and physical asset verification exercises. Also the lives of the buildings is contingent of the opening of 3Ts.

The estimated economic lives of each class of asset are disclosed in notes 1.9, and the carrying values of property, plant and equipment in notes 17 to 18.

**Note 1.30 Reconciliation of accounting performance to adjusted performance (control total basis)**

This note shows how the trust performance is measured by NHS England compared to the accounting surplus/(deficit).

**Note 2 Reconciliation of accounting performance to adjusted performance (control total basis)**

	Group	
	2023/24	2022/23
<b>Adjusted financial performance (control total basis):</b>	<b>£000</b>	<b>£000</b>
Deficit for the period	(178,706)	(60,318)
Remove impact of consolidating NHS charitable fund	2,787	950
Remove net impairments not scoring to the Departmental expenditure limit	164,049	48,449
Remove I&E impact of capital grants and donations	(1,576)	525
Remove actual IFRIC 12 scheme finance costs	3,197	-
Add back forecast IFRIC 12 scheme interest on an IAS 17 basis	(1,195)	-
Add back forecast IFRIC 12 scheme contingent rent on an IAS 17 basis	(2,903)	-
Remove PDC dividend benefit arising from PFI liability remeasurement	(605)	-
<b>Adjusted financial performance deficit</b>	<b><u>(14,952)</u></b>	<b><u>(10,394)</u></b>

**Note 3 Operating Segments**

Consistent with previous years, the group and trust take the view that there is a single operating segment – the provision of healthcare.

**Note 4 Operating income from patient care activities (Group and Trust)**

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 4.1 Income from patient care activities (by nature)	Group and Trust	
	2023/24 £000	2022/23 £000
<b>Acute services</b>		
Income from commissioners under API contracts - variable element*	272,952	-
Income from commissioners under API contracts - fixed element*	906,107	1,069,665
High cost drugs income from commissioners	103,451	128,740
Other NHS clinical income	38,245	229
<b>Mental health services</b>		
Income from commissioners under API contracts*	1,728	2,220
<b>Community services</b>		
Income from commissioners under API contracts*	22,157	22,662
Income from other sources (e.g. local authorities)	8,911	8,406
<b>All services</b>		
Private patient income	8,044	9,435
Elective recovery fund		32,600
National pay award central funding***	684	27,433
Additional pension contribution central funding*	37,465	34,758
Other clinical income	8,989	3,815
<b>Total income from activities</b>	<b>1,408,733</b>	<b>1,339,963</b>

\*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.

<https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/>

\*\*The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

\*\*\*Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

**Note 4.2 Income from patient care activities (by source)**

Note 4.2 Income from patient care activities received from:	2023/24	2022/23
	£000	£000
<b>Income from patient care activities received from:</b>		
NHS England	352,280	349,461
Clinical commissioning groups		220,698
Integrated care boards	1,016,041	725,701
Department of Health and Social Care	-	-
Other NHS providers	95	152
NHS other	66	77
Local authorities	8,911	8,406
Non-NHS: private patients	8,044	9,435
Non-NHS: overseas patients (chargeable to patient)	707	459
Injury cost recovery scheme	3,272	3,162
Non NHS: other	19,317	22,412
<b>Total income from activities</b>	<b>1,408,733</b>	<b>1,339,963</b>
<b>Of which:</b>		
Related to continuing operations	1,408,733	1,339,963

**Note 4.3 Overseas visitors (relating to patients charged directly by the provider) (Group and Trust)**

	2023/24	2022/23
	£000	£000
Income recognised this year	707	459
Cash payments received in-year	38	352
Amounts added to provision for impairment of receivables	337	226
Amounts written off in-year	331	95

**Note 5 Other operating income (Group)**

	2023/24			2022/23		
	Contract	Non-contract	Total	Contract	Non-contract	Total
	income	income	£000	income	income	£000
	£000	£000	£000	£000	£000	£000
Research and development	6,710	-	6,710	5,707	-	5,707
Education and training	57,140	1,509	58,649	54,877	1,654	56,531
Non-patient care services to other bodies	14,536	-	14,536	14,312	-	14,312
Reimbursement and top up funding				1,185	-	1,185
Income in respect of employee benefits accounted on a gross basis	6,737	-	6,737	7,224	-	7,224
Receipt of capital grants and donations and peppercorn leases		372	372		695	695
Charitable and other contributions to expenditure		7,421	7,421		5,782	5,782
Revenue from operating leases		1,436	1,436		1,426	1,426
Charitable fund incoming resources		1,669	1,669		1,590	1,590
Other income	18,109	-	18,109	15,900	3,036	18,936
<b>Total other operating income</b>	<b>103,232</b>	<b>12,407</b>	<b>115,639</b>	<b>99,205</b>	<b>14,183</b>	<b>113,388</b>
<b>Of which:</b>						
Related to continuing operations			115,639			113,388
Related to discontinued operations			-			-

\*Other operating income includes revenue streams such as; Car parking income, staff accommodation rental income, non NHS Pharmacy sales & Clinical Excellence Awards income.

Car Parking income	4,404	3,624
Catering	669	635
Pharmacy sales	6,877	6,257
Staff accommodation rental	1,532	1,406
Staff contribution to employee benefit schemes	41	38
Crèche services	884	837
Clinical tests	1,746	580
Clinical excellence awards	1,963	2,120
Other income generation schemes (recognised under IFRS 15)	60	-
Other income not already covered (recognised under IFRS 15)	515	607
Other	-	3,036
Total before consolidation of charitable funds	18,691	19,140
Elimination of 'other income' on consolidation of charitable funds	(582)	(204)
Total after consolidation of charitable funds	<b>18,109</b>	<b>18,936</b>

Note 5 Other operating income (Trust)	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	6,710	-	6,710	5,707	-	5,707
Education and training	57,141	1,509	58,650	54,877	1,654	56,531
Non-patient care services to other bodies	14,782	-	14,782	14,442	-	14,442
Reimbursement and top up funding				1,185	-	1,185
Income in respect of employee benefits accounted on a gross basis	6,736	-	6,736	7,224	-	7,224
Receipt of capital grants and donations and peppercorn leases		2,799	2,799		843	843
Charitable and other contributions to expenditure		7,421	7,421		5,782	5,782
Revenue from operating leases		1,437	1,437		1,491	1,491
Other income	18,456	697	19,153	15,867	4,011	19,878
<b>Total other operating income</b>	<b>103,825</b>	<b>13,863</b>	<b>117,688</b>	<b>99,302</b>	<b>13,781</b>	<b>113,083</b>
<b>Of which:</b>						
Related to continuing operations			117,688			113,083
Related to discontinued operations			-			-

\*Other operating income includes revenue streams such as; Car parking income, staff accommodation rental income, non NHS Pharmacy sales & Clinical Excellence Awards income.

Car Parking income	4,404	3,624
Catering	669	635
Pharmacy sales	6,644	6,257
Staff accommodation rental	1,532	1,406
Staff contribution to employee benefit schemes	41	38
Crèche services	884	837
Clinical tests	1,746	580
Clinical excellence awards	1,963	2,120
Other income generation schemes (recognised under IFRS 15)	60	-
Other income not already covered (recognised under IFRS 15)	513	370
Other	697	4,011
<b>Total</b>	<b>19,153</b>	<b>19,878</b>

**Note 6.1 Additional information on contract revenue (IFRS 15) recognised in the period**

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,746	4,761
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**Note 6.2 Fees and charges (Group and Trust)**

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2023/24	2022/23
	£000	£000
Income	3,246	2,742
Full cost	(1,300)	(1,037)
<b>Surplus</b>	<b><u>1,946</u></b>	<b><u>1,705</u></b>

The income relates to patient car parking charges.

**Note 7 Operating leases - University Hospitals Sussex NHS Foundation Trust as lessor**

This note discloses income generated in operating lease agreements where University Hospitals Sussex NHS Foundation Trust is the lessor.

The Trust leases space to third parties to provide food, beverages and newspapers, the swimming pool on the St Mary's Hall site in Brighton, office space and use of sites for the location of aeriols. The Trust also leases space to the wholly owned subsidiary, Pharm@Sea Limited, Hyperbaric unit to Qinetiq and Nursery/childcare facility to The Co-operative Nursery. The terms of these leases vary between one and fifteen years.

**Note 7.1 Operating leases income (Group)**

	2023/24	2022/23
	£000	£000
<b>Lease receipts recognised as income in year:</b>		
Minimum lease receipts	1,436	1,426
Variable lease receipts / contingent rents	-	-
<b>Total in-year operating lease income</b>	<b><u>1,436</u></b>	<b><u>1,426</u></b>

**Note 7.2 Future lease receipts (Group)**

	31 March 2024	31 March 2023
	£000	£000
<b>Future minimum lease receipts due in:</b>		
- not later than one year	1,458	1,328
- later than one year and not later than two years	1,305	1,175
- later than two years and not later than three years	1,247	1,117
- later than three years and not later than four years	1,247	1,117
- later than four years and not later than five years	767	637
- later than five years	130	-
<b>Total</b>	<b><u>6,154</u></b>	<b><u>5,374</u></b>

## Note 8.1 Operating expenses (Group)

	Group		Trust	
	2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	6,324	4,808	6,324	4,808
Purchase of healthcare from non-NHS and non-DHSC bodies	28,630	35,116	28,489	34,998
Staff and executive directors costs	968,137	922,320	966,843	921,374
Remuneration of non-executive directors	257	244	257	244
Supplies and services - clinical (excluding drugs costs)	135,413	127,796	135,413	127,796
Supplies and services - general	12,689	16,263	12,670	16,222
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	151,100	140,992	153,770	144,587
Inventories written down	847	794	847	794
Consultancy costs	-	-	-	-
Establishment	8,651	9,384	8,580	9,309
Premises	56,499	50,703	56,461	50,677
Transport (including patient travel)	4,232	4,095	4,217	4,072
Depreciation on property, plant and equipment	46,671	39,855	46,632	39,831
Amortisation on intangible assets	3,108	2,485	3,108	2,485
Net impairments	164,049	48,449	164,049	48,449
Movement in credit loss allowance: contract receivables / contract assets	(5,507)	1,020	(5,507)	1,020
Movement in credit loss allowance: all other receivables and investments	56	325	56	325
Increase/(decrease) in other provisions	827	(909)	826	(905)
Change in provisions discount rate(s)	(163)	(1,316)	(163)	(1,316)
Fees payable to the external auditor				
audit services- statutory audit*	234	228	187	184
other auditor remuneration (external auditor only)	3	-	-	-
Internal audit costs	172	148	172	148
Clinical negligence	46,262	42,510	46,262	42,510
Legal fees	302	392	302	392
Insurance	1,574	1,126	1,568	1,115
Research and development	9,175	7,708	9,175	7,708
Education and training	33,126	33,745	33,124	33,741
Early retirements	-	-	-	-
Redundancy	127	-	127	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,378	876	1,378	876
Car parking & security	76	78	76	78
Hospitality	-	-	-	-
Losses, ex gratia & special payments	20	208	20	208
Other services, eg external payroll	1,045	1,308	1,045	1,308
Other NHS charitable fund resources expended	2,325	1,523	-	-
Other	170	416	157	407
<b>Total</b>	<b>1,677,809</b>	<b>1,492,690</b>	<b>1,676,465</b>	<b>1,493,445</b>
<b>Of which:</b>				
Related to continuing operations	1,677,809	1,492,690	1,676,465	1,493,445
Related to discontinued operations	-	-	-	-

\*The audit fee payable to Grant Thornton is £156k plus VAT (2022/23: £153k plus VAT). This includes additional WGA (Whole of Government) work of £4k related to 22/23. In 22/23 UHSussex was selected for additional WGA accounts work, undertaken by GT and billed in 2023/24 audit fee.

**Note 8.2 Other auditor remuneration Group**

	2023/24	2022/23
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	3	-
<b>Total</b>	<u>3</u>	<u>-</u>

**Note 8.3 Other auditor remuneration Trust**

	2023/24	2022/23
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Note 8.4 Limitation on auditor's liability (Group and Trust)**

The limitation on auditor's liability for external audit work is:

For the Trust only (Grant Thornton): £2m (2022/23: £2m)

For My University Hospitals (Kreston Reeves): Unlimited (2022/23: Unlimited)

For Pharm@Sea (Cardens): £2m (2022/23: £2m)

**Note 9 Impairment of assets (Group and Trust)**

	2023/24	2022/23
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	164,049	48,449
<b>Total net impairments charged to operating surplus / deficit</b>	<u>164,049</u>	<u>48,449</u>
Impairments charged to the revaluation reserve	47,091	6,837
<b>Total net impairments</b>	<u>211,140</u>	<u>55,286</u>

The impairment due to changes in market price relates to a change in the value of the trust's estate following the annual review carried out by the external valuer Gerald Eve LLP.

Note 10 Employee benefits (Group)	Group		Trust	
	2023/24	2022/23	2023/24	2022/23
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	762,042	722,658	761,084	721,812
Social security costs	85,652	76,558	85,560	76,482
Apprenticeship levy	3,840	3,439	3,840	3,439
Employer's contributions to NHS pensions	123,070	113,966	123,037	113,942
Temporary staff (including agency)	31,460	42,620	31,249	42,620
<b>Total gross staff costs</b>	<b>1,006,064</b>	<b>959,241</b>	<b>1,004,770</b>	<b>958,295</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>1,006,064</b>	<b>959,241</b>	<b>1,004,770</b>	<b>958,295</b>
<b>Of which</b>				
Costs capitalised as part of assets	4,020	5,157	4,020	5,157

Senior staff salary and pension disclosures have been included within the Remuneration Report.

Head count disclosures have been included within the Staff Report.

#### Note 10.1 Retirements due to ill-health (Group)

During 2023/24 there were 9 early retirements from the trust agreed on the grounds of ill-health (11 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £974k (£419k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

**Note 11 Pension costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

**c) NEST**

The Pensions Act 2008 and 2001 Automatic Enrolment Regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. Employees who are unable to join the NHS Pensions Scheme are covered by the National Employers Savings Trust ("NEST").

The auto enrolment "staging" date for the trust compliance was 1 July 2013. This was followed by a re-enrolment date of 1 July 2016 and then again on the 1 July 2019. For those staff not entitled to join the NHS Pension Scheme, the trust utilised an alternative pension scheme called NEST to fulfil its automatic enrolment obligations. NEST is a defined contribution pension scheme established by law to support the introduction of auto enrolment.

Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270 but are reviewed every year by the government. The initial contribution was 1% of qualifying earnings, with an employer contribution of 1%. This has been increased by the stages below which were set by the government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
6th April 2018	3%	2%	5%
6th April 2019	5%	3%	8%

**Note 12 Finance income**

Finance income represents interest received on assets and investments in the period.

	Group		Trust	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Interest on bank accounts	2,735	2,170	2,643	2,169
NHS charitable fund investment income	539	446	-	-
<b>Total finance income</b>	<b>3,274</b>	<b>2,616</b>	<b>2,643</b>	<b>2,169</b>

**Note 13.1 Finance expenditure (Group and Trust)**

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2023/24	2022/23
	£000	£000
<b>Interest expense:</b>		
Interest on loans from the Department of Health and Social Care	1,163	1,263
Interest on lease obligations	732	614
Interest on late payment of commercial debt	43	-
<b>Finance costs on PFI, LIFT and other service concession arrangements:</b>		
Main finance costs	2,191	1,300
Contingent finance costs*	-	1,834
Remeasurement of the liability resulting from change in index or rate*	1,006	-
<b>Total interest expense</b>	<b>5,135</b>	<b>5,011</b>
Unwinding of discount on provisions	470	496
<b>Total finance costs</b>	<b>5,605</b>	<b>5,507</b>

\* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 40.

**Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group and Trust)**

	2023/24	2022/23
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	3,831	3,493
Amounts included within interest payable arising from claims made under this legislation	43	-
Compensation paid to cover debt recovery costs under this legislation	-	-

**Note 14 Other (losses) / gains**

	Group		Trust	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Gains on disposal of assets	-	50	-	50
Losses on disposal of assets	(1,610)	-	(1,610)	-
<b>Total gains / (losses) on disposal of assets</b>	<b>(1,610)</b>	<b>50</b>	<b>(1,610)</b>	<b>50</b>
Fair value gains / (losses) on charitable fund investments & investment properties	354	(1,088)	-	-
<b>Total other (losses) / gains</b>	<b>(1,256)</b>	<b>(1,038)</b>	<b>(1,610)</b>	<b>50</b>

**Note 15 Trust income statement and statement of comprehensive income**

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's deficit for the period was £178 million (2022/23: £60 million). The trust's total comprehensive expense for the period was £221 million (2022/23: £38 million).

## Note 16.1 Intangible assets - 2023/24

Group and Trust	Software	Internally	Intangible	Other	Total
	licences	generated	assets under	(purchased)	
	£000	information	construction	£000	£000
		technology			
<b>Gross cost at 1 April 2023 - brought forward</b>	<b>22,330</b>	<b>13,080</b>	<b>4,751</b>	-	<b>40,161</b>
Additions	696	3,203	1,349	-	5,248
Reclassifications	4,757	348	(5,105)	-	-
Disposals / derecognition	(654)	(213)	-	-	(867)
<b>Gross cost at 31 March 2024</b>	<b>27,129</b>	<b>16,418</b>	<b>995</b>	-	<b>44,542</b>
<b>Amortisation at 1 April 2023 - brought forward</b>	<b>4,595</b>	<b>2,103</b>	-	-	<b>6,698</b>
Provided during the year	2,343	765	-	-	3,108
Disposals / derecognition	(654)	(213)	-	-	(867)
<b>Amortisation at 31 March 2024</b>	<b>6,284</b>	<b>2,655</b>	-	-	<b>8,939</b>
<b>Net book value at 31 March 2024</b>	<b>20,845</b>	<b>13,763</b>	<b>995</b>	-	<b>35,603</b>
<b>Net book value at 1 April 2023</b>	<b>17,735</b>	<b>10,977</b>	<b>4,751</b>	-	<b>33,463</b>

## Note 16.2 Intangible assets - 2022/23

Group and Trust	Software	Internally	Intangible	Other	Total
	licences	generated	assets under	(purchased)	
	£000	information	construction	£000	£000
		technology			
<b>Gross cost at 1 April 2022</b>	<b>14,417</b>	<b>12,860</b>	<b>4,318</b>	<b>1,112</b>	<b>32,707</b>
Additions	7,913	220	433	-	8,566
Disposals / derecognition	-	-	-	(1,112)	(1,112)
<b>Gross cost at 31 March 2023</b>	<b>22,330</b>	<b>13,080</b>	<b>4,751</b>	-	<b>40,161</b>
<b>Amortisation at 1 April 2022</b>	<b>2,857</b>	<b>1,356</b>	-	<b>1,112</b>	<b>5,325</b>
Provided during the year	1,738	747	-	-	2,485
Disposals / derecognition	-	-	-	(1,112)	(1,112)
<b>Amortisation at 31 March 2023</b>	<b>4,595</b>	<b>2,103</b>	-	-	<b>6,698</b>
<b>Net book value at 31 March 2023</b>	<b>17,735</b>	<b>10,977</b>	<b>4,751</b>	-	<b>33,463</b>
<b>Net book value at 1 April 2022</b>	<b>11,560</b>	<b>11,504</b>	<b>4,318</b>	-	<b>27,382</b>

## Note 17.1 Property, plant and equipment - 2023/24

Group	Buildings excluding dwellings		Assets under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000	Dwellings	£000					
<b>Valuation/gross cost at 1 April 2023 - brought forward</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>142,993</b>	<b>17</b>	<b>72,040</b>	<b>779</b>	<b>1,209,329</b>
Additions	-	37,143	-	21,243	14,395	-	6,242	-	79,023
Impairments charged to operating expenses	(263)	(163,008)	-	-	-	-	-	-	(163,271)
Impairments charged to the revaluation reserve	(2,036)	(46,966)	(159)	-	-	-	-	-	(49,161)
Reversals of impairments credited to operating expenses	-	1,476	-	-	-	-	-	-	1,476
Reversals of impairments credited to the revaluation reserve	170	1,920	22	-	-	-	-	-	2,112
Revaluations	-	(16,799)	(130)	-	-	-	-	-	(16,929)
Reclassifications	-	429,149	-	(451,459)	18,694	-	3,616	-	-
Disposals / derecognition	-	-	-	-	(17,301)	-	(12,735)	(190)	(30,226)
<b>Valuation/gross cost at 31 March 2024</b>	<b>46,419</b>	<b>726,573</b>	<b>5,417</b>	<b>25,394</b>	<b>158,781</b>	<b>17</b>	<b>69,163</b>	<b>589</b>	<b>1,032,353</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,618</b>	<b>15</b>	<b>30,148</b>	<b>565</b>	<b>88,346</b>
Provided during the year	-	21,219	130	-	10,655	2	8,873	31	40,910
Revaluations	-	(21,219)	(130)	-	-	-	-	-	(21,349)
Disposals / derecognition	-	-	-	-	(17,150)	-	(11,273)	(190)	(28,613)
<b>Accumulated depreciation at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,123</b>	<b>17</b>	<b>27,748</b>	<b>406</b>	<b>79,294</b>
<b>Net book value at 31 March 2024</b>	<b>46,419</b>	<b>726,573</b>	<b>5,417</b>	<b>25,394</b>	<b>107,658</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>953,059</b>
<b>Net book value at 1 April 2023</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>85,375</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,983</b>

## Note 17.2 Property, plant and equipment - 2022/23

Group	Buildings excluding dwellings		Assets under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000	Dwellings	£000					
<b>Valuation / gross cost at 1 April 2022</b>	<b>59,665</b>	<b>439,605</b>	<b>10,969</b>	<b>439,259</b>	<b>132,042</b>	<b>17</b>	<b>56,079</b>	<b>779</b>	<b>1,138,415</b>
IFRS 16 implementation - reclassification to right of use assets	(1,280)	-	(3,291)	-	-	-	-	-	(4,571)
Additions	-	55,197	-	45,798	2,463	-	547	-	104,005
Impairments charged to operating expenses	(529)	(38,151)	(48)	-	-	-	-	-	(38,728)
Impairments charged to the revaluation reserve	(9,311)	(4,656)	(641)	-	-	-	-	-	(14,608)
Reversals of impairments credited to operating expenses	-	5,755	-	-	-	-	-	-	5,755
Reversals of impairments credited to the revaluation reserve	-	8,187	-	-	-	-	-	-	8,187
Revaluations	3	12,504	(91)	-	-	-	-	-	12,416
Reclassifications	-	5,217	(1,214)	(29,447)	9,984	-	15,460	-	-
Disposals / derecognition	-	-	-	-	(1,496)	-	(46)	-	(1,542)
<b>Valuation/gross cost at 31 March 2023</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>142,993</b>	<b>17</b>	<b>72,040</b>	<b>779</b>	<b>1,209,329</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,488</b>	<b>12</b>	<b>21,858</b>	<b>530</b>	<b>70,888</b>
Provided during the year	-	15,725	144	-	10,626	3	8,336	35	34,869
Revaluations	-	(15,725)	(144)	-	-	-	-	-	(15,869)
Disposals / derecognition	-	-	-	-	(1,496)	-	(46)	-	(1,542)
<b>Accumulated depreciation at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,618</b>	<b>15</b>	<b>30,148</b>	<b>565</b>	<b>88,346</b>
<b>Net book value at 31 March 2023</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>85,375</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,983</b>
<b>Net book value at 1 April 2022</b>	<b>59,665</b>	<b>439,605</b>	<b>10,969</b>	<b>439,259</b>	<b>83,554</b>	<b>5</b>	<b>34,221</b>	<b>249</b>	<b>1,067,527</b>

## Note 17.3 Property, plant and equipment financing - 31 March 2024

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Owned - purchased	45,854	696,348	5,417	25,389	99,507	-	41,357	72	913,944
On-SoFP PFI contracts and other service concession arrangements	-	20,933	-	-	-	-	-	-	20,933
Owned - donated/granted	565	9,292	-	5	8,151	-	58	111	18,182
<b>NBV total at 31 March 2024</b>	<b>46,419</b>	<b>726,573</b>	<b>5,417</b>	<b>25,394</b>	<b>107,658</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>953,059</b>

## Note 17.4 Property, plant and equipment financing - 31 March 2023

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Owned - purchased	47,952	441,889	5,684	453,960	78,209	2	41,813	89	1,069,598
On-SoFP PFI contracts and other service concession arrangements	-	33,391	-	-	-	-	-	-	33,391
Owned - donated/granted	596	8,378	-	1,650	7,166	-	79	125	17,994
<b>NBV total at 31 March 2023</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>85,375</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,983</b>

## Note 17.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Subject to an operating lease	-	-	-	-	-	-	-	-	-
Not subject to an operating lease	46,419	726,573	5,417	25,394	107,658	-	41,415	183	953,059
<b>NBV total at 31 March 2024</b>	<b>46,419</b>	<b>726,573</b>	<b>5,417</b>	<b>25,394</b>	<b>107,658</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>953,059</b>

## Note 17.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Group	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Subject to an operating lease	-	-	-	-	-	-	-	-	-
Not subject to an operating lease	48,548	483,658	5,684	455,610	85,375	2	41,892	214	1,120,983
<b>NBV total at 31 March 2023</b>	<b>48,548</b>	<b>483,658</b>	<b>5,684</b>	<b>455,610</b>	<b>85,375</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,983</b>

## Note 18.1 Property, plant and equipment - 2023/24

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2023 - brought forward</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>142,494</b>	<b>17</b>	<b>72,040</b>	<b>779</b>	<b>1,208,781</b>
Additions	-	37,143	-	21,243	14,395	-	6,242	-	79,023
Impairments charged to operating expenses	(263)	(163,008)	-	-	-	-	-	-	(163,271)
Impairments charged to the revaluation reserve	(2,036)	(46,966)	(159)	-	-	-	-	-	(49,161)
Reversals of impairments credited to operating expenses	-	1,476	-	-	-	-	-	-	1,476
Reversals of impairments credited to the revaluation reserve	170	1,920	22	-	-	-	-	-	2,112
Revaluations	-	(16,799)	(130)	-	-	-	-	-	(16,929)
Reclassifications	-	429,149	-	(451,459)	18,694	-	3,616	-	-
Disposals / derecognition	-	-	-	-	(17,301)	-	(12,735)	(190)	(30,226)
<b>Valuation/gross cost at 31 March 2024</b>	<b>46,419</b>	<b>726,524</b>	<b>5,417</b>	<b>25,394</b>	<b>158,282</b>	<b>17</b>	<b>69,163</b>	<b>589</b>	<b>1,031,805</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,209</b>	<b>15</b>	<b>30,148</b>	<b>565</b>	<b>87,937</b>
Provided during the year	-	21,214	130	-	10,636	2	8,873	31	40,886
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(21,214)	(130)	-	-	-	-	-	(21,344)
Disposals / derecognition	-	-	-	-	(17,150)	-	(11,273)	(190)	(28,613)
<b>Accumulated depreciation at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,695</b>	<b>17</b>	<b>27,748</b>	<b>406</b>	<b>78,866</b>
<b>Net book value at 31 March 2024</b>	<b>46,419</b>	<b>726,524</b>	<b>5,417</b>	<b>25,394</b>	<b>107,587</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>952,939</b>
<b>Net book value at 1 April 2023</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>85,285</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,844</b>

## Note 18.2 Property, plant and equipment - 2022/23

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2022</b>	<b>59,665</b>	<b>439,605</b>	<b>10,969</b>	<b>439,259</b>	<b>131,543</b>	<b>17</b>	<b>56,079</b>	<b>779</b>	<b>1,137,916</b>
IFRS 16 implementation - reclassification of existing leased assets to right of use assets	(1,280)	(54)	(3,291)	-	-	-	-	-	(4,625)
Additions	-	55,197	-	45,798	2,463	-	547	-	104,005
Impairments charged to operating expenses	(529)	(38,151)	(48)	-	-	-	-	-	(38,728)
Impairments charged to the revaluation reserve	(9,311)	(4,656)	(641)	-	-	-	-	-	(14,608)
Reversals of impairments credited to operating expenses	-	5,755	-	-	-	-	-	-	5,755
Reversals of impairments credited to the revaluation reserve	-	8,187	-	-	-	-	-	-	8,187
Revaluations	3	12,509	(91)	-	-	-	-	-	12,421
Reclassifications	-	5,217	(1,214)	(29,447)	9,984	-	15,460	-	-
Disposals / derecognition	-	-	-	-	(1,496)	-	(46)	-	(1,542)
<b>Valuation/gross cost at 31 March 2023</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>142,494</b>	<b>17</b>	<b>72,040</b>	<b>779</b>	<b>1,208,781</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,098</b>	<b>12</b>	<b>21,858</b>	<b>530</b>	<b>70,498</b>
Provided during the year	-	15,720	144	-	10,607	3	8,336	35	34,845
Revaluations	-	(15,720)	(144)	-	-	-	-	-	(15,864)
Disposals / derecognition	-	-	-	-	(1,496)	-	(46)	-	(1,542)
<b>Accumulated depreciation at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,209</b>	<b>15</b>	<b>30,148</b>	<b>565</b>	<b>87,937</b>
<b>Net book value at 31 March 2023</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>85,285</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,844</b>
<b>Net book value at 1 April 2022</b>	<b>59,665</b>	<b>439,605</b>	<b>10,969</b>	<b>439,259</b>	<b>83,445</b>	<b>5</b>	<b>34,221</b>	<b>249</b>	<b>1,067,418</b>

## Note 18.3 Property, plant and equipment financing - 31 March 2024

Trust	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Owned - purchased	45,854	696,299	5,417	25,389	99,436	-	41,357	72	913,824
On-SoFP PFI contracts and other service concession arrangements	-	20,933	-	-	-	-	-	-	20,933
Owned - donated / granted	565	9,292	-	5	8,151	-	58	111	18,182
<b>Total net book value at 31 March 2024</b>	<b>46,419</b>	<b>726,524</b>	<b>5,417</b>	<b>25,394</b>	<b>107,587</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>952,939</b>

## Note 18.4 Property, plant and equipment financing - 31 March 2023

Trust	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Owned - purchased	47,952	441,840	5,684	453,960	78,119	2	41,813	89	1,069,459
On-SoFP PFI contracts and other service concession arrangements	-	33,391	-	-	-	-	-	-	33,391
Owned - donated / granted	596	8,378	-	1,650	7,166	-	79	125	17,994
<b>Total net book value at 31 March 2023</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>85,285</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,844</b>

## Note 18.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

Trust	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Subject to an operating lease	43	-	-	-	-	-	-	-	43
Not subject to an operating lease	46,376	726,524	5,417	25,394	107,587	-	41,415	183	952,896
<b>Total net book value at 31 March 2024</b>	<b>46,419</b>	<b>726,524</b>	<b>5,417</b>	<b>25,394</b>	<b>107,587</b>	<b>-</b>	<b>41,415</b>	<b>183</b>	<b>952,939</b>

## Note 18.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Trust	Land £000	Buildings excluding dwellings	Dwellings £000	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total £000
		£000		£000	£000	£000	£000	£000	
Subject to an operating lease	53	-	-	-	-	-	-	-	53
Not subject to an operating lease	48,495	483,609	5,684	455,610	85,285	2	41,892	214	1,120,791
<b>Total net book value at 31 March 2023</b>	<b>48,548</b>	<b>483,609</b>	<b>5,684</b>	<b>455,610</b>	<b>85,285</b>	<b>2</b>	<b>41,892</b>	<b>214</b>	<b>1,120,844</b>

**Note 19 Donations of property, plant and equipment**

The value of assets donated by the University Hospitals Sussex NHS Foundation Trust Charitable funds during the year was £2,427k (2022/23: £148k). There are no restrictions or conditions imposed by the donations.

There is no difference between the cash provided and the fair value of the assets acquired.

**Note 20 Revaluations of property, plant and equipment**

The trust undertakes an estates revaluation annually. This year a desktop update valuation with targeted inspection of major new schemes was carried out as at 31 March 2024 by the external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was carried out in accordance with the requirements of the RICS valuation - Global Standard 2022 and the national standards and guidance set out in the UK national supplement (November 2018 edition), and the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FRM).

Assets which are held for their service potential (i.e. operational assets) and are in use were measured at Current Value in Existing Use, which is defined in the RICS Red Book as Existing Use Value. For specialised operational assets, current value in existing use is derived using the Depreciated Replacement Cost method subject to the assumption of continuing use.

Most of the trust's assets qualify as specialised operational assets and therefore fall to be assessed using the Depreciated Replacement Cost method and have been valued on an optimal site modern equivalent asset basis. That is the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. For the 31 March 2024 valuation, Phase 1 of the 3Ts project, known as the Louisa Martindale building had entered operation adding over 62,000 square metres of floor space to the Royal Sussex County Hospital site. The Trust has moved various services and operations from the existing estate into the new building and as part of an emerging estates strategy has identified areas within the existing Royal Sussex County Hospital site and across the rest of the Trust estate that would not form part of the modern equivalent hospital. The valuer has taken this building optimisation into account, and this has decreased the value of the existing Royal Sussex County Hospital buildings and to a lesser extent the Worthing buildings and the Princess Royal Hospital buildings.

Non-operational assets, including surplus land, are valued on the basis of Fair Value as the property is no longer required for existing operations, which have ceased. Fair value is determined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between participants at the measurement date.

Non-operational assets, including surplus land, are valued on the basis of Fair Value as the property is no longer required for existing operations, which have ceased. Fair value is determined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between participants at the measurement date.

For the avoidance of doubt, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The estimated remaining lives of the buildings have been adjusted in line with the Gerald Eve's valuation. The estimated remaining lives of the trust's assets are shown in accounting policies note 1.9.

The Group and Trust revaluation value for 2023/24 £4,421k (2022/23 £29,177k) is shown within section "Other comprehensive income, will not be reclassified to income and expenditure" on the Consolidated Statement of Comprehensive Income. Included within the valuation are peppercorn right of use assets of £4,792k (2022/23 £4,911k).

**Note 21 Leases - University Hospitals Sussex NHS Foundation Trust as a lessee**

This note details information about leases for which University Hospitals Sussex NHS Foundation Trust is a lessee.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

The trust has leasing arrangements including building leases, vehicle leases, and implicit equipment leases within Managed Equipment Services (MES) contracts.

The trust leases the following properties;

- Sussex House, Brighton
- Freshfield, Brighton
- Preston Road, Brighton
- Radiotherapy centre, Eastbourne
- Ridgeworth House, Worthing
- 74 - 80 Park Road, Worthing
- Farncombe Road, Worthing

In addition, the trust entered into a sublease arrangement with NHS Sussex ICB (previously Coastal West Sussex CCG) for office buildings in 2019/20.

## Note 21.1 Right of use assets - 2023/24

Group	Property	Plant &	Total	Of which:
	(land and buildings)	machinery		leased from DHSC group bodies
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2023 - brought forward</b>	<b>70,357</b>	<b>7,558</b>	<b>77,915</b>	<b>20,759</b>
Transfers by absorption	-	-	-	-
Additions	320	941	1,261	-
Remeasurements of the lease liability	(5,250)	579	(4,671)	(148)
Impairments	(91)	-	(91)	-
Reversal of impairments	49	-	49	-
Revaluations	(2,401)	-	(2,401)	-
Disposals / derecognition	(167)	(4)	(171)	-
<b>Valuation/gross cost at 31 March 2024</b>	<b>62,817</b>	<b>9,074</b>	<b>71,891</b>	<b>20,611</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	<b>19,709</b>	<b>753</b>	<b>20,462</b>	<b>1,306</b>
Provided during the year	4,798	963	5,761	1,328
Impairments	2,254	-	2,254	-
Revaluations	(2,402)	-	(2,402)	-
Disposals / derecognition	(167)	(4)	(171)	-
<b>Accumulated depreciation at 31 March 2024</b>	<b>24,192</b>	<b>1,712</b>	<b>25,904</b>	<b>2,634</b>
<b>Net book value at 31 March 2024</b>	<b>38,625</b>	<b>7,362</b>	<b>45,987</b>	<b>17,977</b>
<b>Net book value at 1 April 2023</b>	<b>50,648</b>	<b>6,805</b>	<b>57,453</b>	<b>19,453</b>
Net book value of right of use assets leased from other NHS providers				13,412
Net book value of right of use assets leased from other DHSC group bodies				4,565

## Note 21.2 Right of use assets - 2022/23

Group	Property	Plant &	Total	Of which:
	(land and buildings)	machinery		leased from DHSC group bodies
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	4,571	-	4,571	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	60,318	7,500	67,818	20,759
Additions	4,992	58	5,050	-
Impairments	(419)	-	(419)	-
Reversal of impairments	3	-	3	-
Revaluations	892	-	892	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>70,357</b>	<b>7,558</b>	<b>77,915</b>	<b>20,759</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provided during the year	4,233	753	4,986	1,306
Impairments	15,476	-	15,476	-
<b>Accumulated depreciation at 31 March 2023</b>	<b>19,709</b>	<b>753</b>	<b>20,462</b>	<b>1,306</b>
<b>Net book value at 31 March 2023</b>	<b>50,648</b>	<b>6,805</b>	<b>57,453</b>	<b>19,453</b>
<b>Net book value at 1 April 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net book value of right of use assets leased from other NHS providers				14,846
Net book value of right of use assets leased from other DHSC group bodies				4,607

## Note 21.3 Right of use assets - 2023/24

Trust	Property	Plant &	Total	Of which:
	(land and buildings)	machinery		£000
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2023 - brought forward</b>	<b>70,357</b>	<b>7,558</b>	<b>77,915</b>	<b>20,759</b>
Additions	320	909	1,229	-
Remeasurements of the lease liability	(5,250)	579	(4,671)	(148)
Impairments	(91)	-	(91)	-
Reversal of impairments	49	-	49	-
Revaluations	(2,401)	-	(2,401)	-
Disposals / derecognition	(167)	(4)	(171)	-
<b>Valuation/gross cost at 31 March 2024</b>	<b>62,817</b>	<b>9,042</b>	<b>71,859</b>	<b>20,611</b>
<b>Accumulated depreciation at 1 April 2023 - brought forward</b>	<b>19,709</b>	<b>753</b>	<b>20,462</b>	<b>1,306</b>
Provided during the year	4,798	948	5,746	1,328
Impairments	2,254	-	2,254	-
Revaluations	(2,402)	-	(2,402)	-
Disposals / derecognition	(167)	(4)	(171)	-
<b>Accumulated depreciation at 31 March 2024</b>	<b>24,192</b>	<b>1,697</b>	<b>25,889</b>	<b>2,634</b>
<b>Net book value at 31 March 2024</b>	<b>38,625</b>	<b>7,345</b>	<b>45,970</b>	<b>17,977</b>
<b>Net book value at 1 April 2023</b>	<b>50,648</b>	<b>6,805</b>	<b>57,453</b>	<b>19,453</b>
Net book value of right of use assets leased from other NHS providers				13,412
Net book value of right of use assets leased from other DHSC group bodies				4,565

## Note 21.4 Right of use assets - 2022/23

Trust	Property	Plant &	Total	Of which:
	(land and buildings)	machinery		£000
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	4,625	-	4,625	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	60,264	7,500	67,764	20,759
Additions	4,992	58	5,050	-
Impairments	(419)	-	(419)	-
Reversal of impairments	3	-	3	-
Revaluations	892	-	892	-
<b>Valuation/gross cost at 31 March 2023</b>	<b>70,357</b>	<b>7,558</b>	<b>77,915</b>	<b>20,759</b>
<b>Accumulated depreciation at 1 April 2022 - brought forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provided during the year	4,233	753	4,986	1,306
Impairments	15,476	-	15,476	-
<b>Accumulated depreciation at 31 March 2023</b>	<b>19,709</b>	<b>753</b>	<b>20,462</b>	<b>1,306</b>
<b>Net book value at 31 March 2023</b>	<b>50,648</b>	<b>6,805</b>	<b>57,453</b>	<b>19,453</b>
<b>Net book value at 1 April 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net book value of right of use assets leased from other NHS providers				14,846
Net book value of right of use assets leased from other DHSC group bodies				4,607

**Note 21.5 Reconciliation of the carrying value of lease liabilities**

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 32.1.

	Group		Trust	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
<b>Carrying value at 1 April</b>	<b>71,935</b>	<b>2,071</b>	<b>71,935</b>	<b>2,071</b>
IFRS 16 implementation - adjustments for existing operating leases		69,455		69,455
Lease additions	1,202	4,998	1,176	4,998
Lease liability remeasurements	(4,385)	-	(4,385)	-
Interest charge arising in year	732	614	731	614
Lease payments (cash outflows)	(6,430)	(5,203)	(6,418)	(5,203)
Other changes	-	-	-	-
<b>Carrying value at 31 March</b>	<b>63,054</b>	<b>71,935</b>	<b>63,039</b>	<b>71,935</b>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 8.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

**Note 21.6 Maturity analysis of future lease payments at 31 March 2024**

	Group		Trust	
	Total 31 March 2024 £000	Of which leased from DHSC group bodies: 31 March 2024 £000	Total 31 March 2024 £000	Of which leased from DHSC group bodies: 31 March 2024 £000
<b>Undiscounted future lease payments payable in:</b>				
- not later than one year;	6,326	1,406	6,326	1,406
- later than one year and not later than five years;	17,220	5,238	16,631	5,238
- later than five years.	50,042	12,946	50,616	12,946
<b>Total gross future lease payments</b>	<b>73,588</b>	<b>19,590</b>	<b>73,573</b>	<b>19,590</b>
Finance charges allocated to future periods	(10,534)	(1,424)	(10,534)	(1,424)
<b>Net lease liabilities at 31 March 2024</b>	<b>63,054</b>	<b>18,166</b>	<b>63,039</b>	<b>18,166</b>
<b>Of which:</b>				
Leased from other NHS providers	5,626	1,241	5,613	1,241
Leased from other DHSC group bodies	57,428	16,925	57,426	16,925

**Note 21.7 Maturity analysis of future lease payments at 31 March 2023**

	Group		Trust	
	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
<b>Undiscounted future lease payments payable in:</b>				
- not later than one year;	6,067	1,406	6,067	1,406
- later than one year and not later than five years;	21,804	5,623	21,804	5,623
- later than five years.	54,687	14,102	54,687	14,102
<b>Total gross future lease payments</b>	<b>82,558</b>	<b>21,131</b>	<b>82,558</b>	<b>21,131</b>
Finance charges allocated to future periods	(10,623)	(1,588)	(10,623)	(1,588)
<b>Net finance lease liabilities at 31 March 2023</b>	<b>71,935</b>	<b>19,543</b>	<b>71,935</b>	<b>19,543</b>
<b>Of which:</b>				
Leased from other NHS providers	5,308	1,228	5,308	1,228
Leased from other DHSC group bodies	66,627	18,315	66,627	18,315

**Note 22 Investments in associates and joint ventures**

Neither the group nor trust has any investments in unconsolidated subsidiaries, joint ventures, associates or unconsolidated entities.

**Note 23 Other investments / financial assets (non-current)**

	Group		Trust	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
<b>Carrying value at 1 April - brought forward</b>	<b>15,841</b>	<b>16,929</b>	<b>1,101</b>	<b>1,101</b>
Movement in fair value through income and expenditure	354	(1,088)	-	-
Disposals	(4,193)	-	-	-
<b>Carrying value at 31 March</b>	<b>12,002</b>	<b>15,841</b>	<b>1,101</b>	<b>1,101</b>

£1,101k represents the cost of investment in Pharm@Sea Limited, the wholly owned subsidiary of the trust. The company is registered in the UK, company no. 08842973 with a share capital of 1,101,000 of £1 each. The company trades as an outpatients dispensary service at the Royal Sussex County Hospital site. The figures in the note below are based on the audited accounts to the 31 March 2024.

£12,002k is the investments of My University Hospitals Sussex (Registered charity No. 1050864).

**Note 24 Disclosure of interests in other entities**

The trust's investment of £1,101k represents the cost of investment in Pharm@Sea Limited, the wholly owned subsidiary of the Trust. The company is registered in the UK, company no. 08842973 with a share capital of 1,101,000 of £1 each. The company trades as an outpatients dispensary service at the Royal Sussex County Hospital site.

**Note 25 Analysis of charitable fund reserves**

The trust has consolidated the My University Hospitals Sussex Charity draft accounts as at 31 March 2024 as part of these accounts. The analysis of funds is noted below.

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
<b>Unrestricted funds:</b>		
Unrestricted income funds	11,498	14,085
<b>Restricted funds:</b>		
Endowment funds	471	471
Other restricted income funds	1,149	1,349
	<u><b>13,118</b></u>	<u><b>15,905</b></u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

**Note 26 Inventories**

	<b>Group</b>		<b>Trust</b>	
	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Drugs	7,799	7,376	6,779	6,584
Consumables	13,803	11,194	13,803	11,194
<b>Total inventories</b>	<u><b>21,602</b></u>	<u><b>18,570</b></u>	<u><b>20,582</b></u>	<u><b>17,778</b></u>
<b>of which:</b>				
Held at fair value less costs to sell	-	-	-	

Inventories recognised in expenses for the year were £267,396k (2022/23: £253,486k). Write-down of inventories recognised as expenses for the year were £847k (2022/23: £794k). The write down of inventories relates primarily to expired and damaged drugs.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £412k of items purchased by DHSC (2022/23: £2,770k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

## Note 27.1 Receivables

	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
<b>Current</b>				
Contract receivables	39,948	61,436	39,911	62,395
Allowance for impaired contract receivables / assets	(3,240)	(9,315)	(3,240)	(9,315)
Allowance for other impaired receivables	(1,884)	(1,828)	(1,884)	(1,828)
Deposits and advances	208	184	208	184
Prepayments (non-PFI)	7,435	17,359	7,300	17,347
Interest receivable	197	354	192	354
Finance lease receivables	259	226	264	231
PDC dividend receivable	1,771	-	1,771	-
VAT receivable	3,838	3,299	3,229	2,730
Other receivables	4,330	4,360	5,030	4,360
NHS charitable funds receivables	537	313	-	-
<b>Total current receivables</b>	<b>53,399</b>	<b>76,388</b>	<b>52,781</b>	<b>76,458</b>
<b>Non-current</b>				
Prepayments (non-PFI)	7,090	6,193	7,090	6,193
Finance lease receivables	1,199	1,203	1,236	1,246
Other receivables	1,850	2,311	1,850	2,311
<b>Total non-current receivables</b>	<b>10,139</b>	<b>9,707</b>	<b>10,176</b>	<b>9,750</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>				
Current	26,963	46,078	26,644	46,078
Non-current	3,049	3,514	3,049	3,514

**Note 27.2 Allowances for credit losses - 2023/24**

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 Apr 2023 - brought forward</b>	<b>9,315</b>	<b>1,828</b>	<b>9,315</b>	<b>1,828</b>
New allowances arising	71	56	71	56
Reversals of allowances	(5,578)	-	(5,578)	-
Utilisation of allowances (write offs)	(568)	-	(568)	-
<b>Allowances as at 31 Mar 2024</b>	<b>3,240</b>	<b>1,884</b>	<b>3,240</b>	<b>1,884</b>

**Note 27.3 Allowances for credit losses - 2022/23**

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
<b>Allowances as at 1 Apr 2022</b>	<b>8,401</b>	<b>1,503</b>	<b>8,401</b>	<b>1,503</b>
New allowances arising	1,020	325	1,020	325
Utilisation of allowances (write offs)	(106)	-	(106)	-
<b>Allowances as at 31 Mar 2023</b>	<b>9,315</b>	<b>1,828</b>	<b>9,315</b>	<b>1,828</b>

**Note 27.4 Exposure to credit risk**

In accordance with IFRS 9, the trust is required to measure the loss allowance of lifetime expected credit losses at initial recognition of the debt being raised.

The expected credit loss is only applied to Non NHS debt. NHS organisations are excluded from the calculation as NHS transactions are considered to be part of DHSC group accounts eliminated on consolidation.

The trust has used the ageing profile to assess the level of risk. The percentages applied to each class derives from both historic data accumulated as well as current and future projections.

**Note 28 Finance leases (University Hospitals Sussex NHS Foundation Trust as a lessor)**

This note discloses future lease payments receivable from lease arrangements classified as finance leases where the University Hospitals Sussex NHS Foundation Trust is the lessor.

The Trust has entered various sublease arrangements.

**Note 28.1 Reconciliation of the carrying value of finance lease receivables (net investment in the lease)**

	Group		Trust	
	2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000
<b>Finance lease receivables at 1 April</b>	<b>1,429</b>	-	<b>1,477</b>	-
IFRS 16 implementation - adjustments for existing subleases		1,637		1,691
Remeasurements of lease receivables	286	-	286	-
Lease receipts (cash payments received)	(257)	(208)	(263)	(214)
<b>Finance lease receivables at 31 March</b>	<b>1,458</b>	<b>1,429</b>	<b>1,500</b>	<b>1,477</b>

**Note 28.2 Finance lease receivables maturity analysis as at 31 March 2024**

	Group		Trust	
	Total	Of which	Total	Of which
		leased to DHSC group bodies:		leased to DHSC group bodies:
	31 March 2024	31 March 2024	31 March 2024	31 March 2024
	£000	£000	£000	£000
<b>Undiscounted future lease receipts receivable in:</b>				
not later than one year;	272	272	278	272
later than one year and not later than two years;	272	272	278	272
later than two years and not later than three years;	272	272	278	272
later than three years and not later than four years;	272	272	278	272
later than four years and not later than five years;	272	272	278	272
later than five years.	134	134	148	134
<b>Total future finance lease payments to be received</b>	<b>1,494</b>	<b>1,494</b>	<b>1,538</b>	<b>1,494</b>
Estimated value of unguaranteed residual interest	-	-	-	-
Unearned interest income	(36)	(36)	(38)	(36)
<b>Net investment in lease (net lease receivable)</b>	<b>1,458</b>	<b>1,458</b>	<b>1,500</b>	<b>1,458</b>
<b>of which:</b>				
Leased to other NHS providers		-		-
Leased to other DHSC group bodies		1,458		1,458

**Note 28.3 Finance lease receivables maturity analysis as at 31 March 2023**

	Group		Trust	
	Total	Of which leased to DHSC group bodies:	Total	Of which leased to DHSC group bodies:
	31 March 2023	31 March 2023	31 March 2023	31 March 2023
	£000	£000	£000	£000
<b>Undiscounted future lease receipts receivable in:</b>				
not later than one year;	226	226	232	226
later than one year and not later than two years;	226	226	232	226
later than two years and not later than three years;	226	226	232	226
later than three years and not later than four years;	226	226	232	226
later than four years and not later than five years;	226	226	232	226
later than five years.	357	357	381	357
<b>Total future finance lease payments to be received</b>	<b>1,487</b>	<b>1,487</b>	<b>1,541</b>	<b>1,487</b>
Unearned interest income	(58)	(58)	(64)	(58)
<b>Net investment in lease (net lease receivable)</b>	<b>1,429</b>	<b>1,429</b>	<b>1,477</b>	<b>1,429</b>
<b>of which:</b>				
Leased to other NHS providers		-		-
Leased to other DHSC group bodies		1,429		1,429

**Note 29.1 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2023/24	2022/23	2023/24	2022/23
	£000	£000	£000	£000
<b>At 1 April</b>	<b>60,524</b>	<b>114,379</b>	<b>56,956</b>	<b>111,189</b>
Net change in year	(38,934)	(53,855)	(37,287)	(54,233)
<b>At 31 March</b>	<b>21,590</b>	<b>60,524</b>	<b>19,669</b>	<b>56,956</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	1,527	1,670	13	13
Cash with the Government Banking Service	20,063	58,854	19,656	56,943
<b>Total cash and cash equivalents as in SoCF</b>	<b>21,590</b>	<b>60,524</b>	<b>19,669</b>	<b>56,956</b>

**Note 29.2 Third party assets held by the trust**

University Hospitals Sussex NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Monies on deposit	-	7
<b>Total third party assets</b>	<b>-</b>	<b>7</b>

**Note 30.1 Trade and other payables**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	44,467	18,040	46,737	20,109
Capital payables	23,684	17,915	23,684	17,915
Accruals	58,677	125,254	58,187	124,192
Social security costs	11,921	9,909	11,653	9,899
Other taxes payable	10,344	10,961	10,331	10,498
PDC dividend payable	-	136	-	136
Pension contributions payable	11,849	10,941	11,806	10,941
Other payables	1,517	1,329	1,538	1,337
NHS charitable funds: trade and other payables	935	1,906	-	-
<b>Total current trade and other payables</b>	<b>163,394</b>	<b>196,391</b>	<b>163,936</b>	<b>195,027</b>
<b>Of which payables from NHS and DHSC group bodies:</b>				
Current	8,224	9,085	8,310	9,085

**Note 30.2 Early retirements in NHS payables above**

The Trade and other payables note above does not include amounts in relation to early retirements.

**Note 31 Other liabilities**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Current</b>				
Deferred income: contract liabilities	211	403	211	403
Other deferred income	1,912	2,343	1,912	2,344
<b>Total other current liabilities</b>	<b>2,123</b>	<b>2,746</b>	<b>2,123</b>	<b>2,747</b>

**Note 32.1 Borrowings**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Current</b>				
Loans from DHSC	3,880	4,393	3,880	4,393
Lease liabilities	5,626	5,308	5,613	5,308
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	2,466	2,373	2,466	2,373
<b>Total current borrowings</b>	<b>11,972</b>	<b>12,074</b>	<b>11,959</b>	<b>12,074</b>
<b>Non-current</b>				
Loans from DHSC	37,031	40,772	37,031	40,772
Lease liabilities	57,428	66,627	57,426	66,627
Obligations under PFI, LIFT or other service concession contracts	34,510	20,131	34,510	20,131
<b>Total non-current borrowings</b>	<b>128,969</b>	<b>127,530</b>	<b>128,967</b>	<b>127,530</b>

**Note 32.2 Reconciliation of liabilities arising from financing activities**

<b>Group and Trust - 2023/24</b>	<b>Loans from DHSC £000</b>	<b>Lease liabilities £000</b>	<b>PFI and LIFT schemes £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2023</b>	<b>45,165</b>	<b>71,935</b>	<b>22,504</b>	<b>139,604</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(4,240)	(5,698)	(4,262)	<b>(14,200)</b>
Financing cash flows - payments of interest	(1,177)	(732)	(2,191)	<b>(4,100)</b>
<b>Non-cash movements:</b>				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023			17,728	<b>17,728</b>
Additions	-	1,202	-	<b>1,202</b>
Lease liability remeasurements	-	(4,385)	-	<b>(4,385)</b>
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	-	1,006	<b>1,006</b>
Application of effective interest rate	1,163	732	2,191	<b>4,086</b>
<b>Carrying value at 31 March 2024</b>	<b>40,911</b>	<b>63,054</b>	<b>36,976</b>	<b>140,941</b>

<b>Group and Trust - 2022/23</b>	<b>Loans from DHSC £000</b>	<b>Lease liabilities £000</b>	<b>PFI and LIFT schemes £000</b>	<b>Total £000</b>
<b>Carrying value at 1 April 2022</b>	<b>49,922</b>	<b>2,071</b>	<b>24,271</b>	<b>76,264</b>
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(4,740)	(4,589)	(1,767)	<b>(11,096)</b>
Financing cash flows - payments of interest	(1,280)	(614)	(1,300)	<b>(3,194)</b>
<b>Non-cash movements:</b>				
IFRS 16 implementation - adjustments for existing operating leases / subleases		69,455		<b>69,455</b>
Additions	-	4,998	-	<b>4,998</b>
Application of effective interest rate	1,263	614	1,300	<b>3,177</b>
<b>Carrying value at 31 March 2023</b>	<b>45,165</b>	<b>71,935</b>	<b>22,504</b>	<b>139,604</b>

**Note 33.1 Provisions for liabilities and charges analysis (Group)**

Group	Pensions:		Legal claims	Other	Total
	early departure costs	Pensions: injury benefits			
	£000	£000	£000	£000	£000
<b>At 1 April 2023</b>	<b>898</b>	<b>2,553</b>	<b>906</b>	<b>5,940</b>	<b>10,297</b>
Change in the discount rate	29	(192)	-	(399)	(562)
Arising during the year	-	-	1,087	41	1,128
Utilised during the year	(127)	(205)	(608)	(421)	(1,361)
Reversed unused	(28)	-	(237)	(193)	(458)
Unwinding of discount	101	369	-	120	590
<b>At 31 March 2024</b>	<b>873</b>	<b>2,525</b>	<b>1,148</b>	<b>5,088</b>	<b>9,634</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	125	205	904	3,215	4,449
- later than one year and not later than five years;	468	769	244	23	1,504
- later than five years.	280	1,551	-	1,850	3,681
<b>Total</b>	<b>873</b>	<b>2,525</b>	<b>1,148</b>	<b>5,088</b>	<b>9,634</b>

Pension costs are based upon known amounts that will have to be paid to the NHS Pension Agency in respect of staff who have retired early. By their very nature, provisions are estimates, though informed. For the calculation of pension and injury benefit liabilities, government actuary figures for expected mortality have been used and for legal claims, data is provided by the NHS Litigation Authority. The provision for Injury Benefits is for the reimbursement of injury benefit allowances to the NHS Pensions Agency and the timing of these payments is based on the age of the recipients.

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme (by completing and returning a 'Scheme Pays' form before 31 July 2021). The Trust estimates that all consultants will take advantage of this offer. NHS England has used information provided by the Government Actuaries Department and NHS Business Services Authority to calculate an 'average discounted value per nomination'. A provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This will be offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. This has been disclosed under other provisions.

The provision for Legal Claims provides for the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES). This provision covers the excess amount payable by the Trust and not the full liability of claims which is covered by NHS Resolution under the non-clinical risk pooling scheme. The timings of the cash flows are based on estimated dates for the finalisation of the claims.

**Note 33.2 Provisions for liabilities and charges analysis (Trust)**

Trust	Pensions:		Legal claims	Other	Total
	early departure costs	Pensions: injury benefits			
	£000	£000	£000	£000	£000
<b>At 1 April 2023</b>	<b>898</b>	<b>2,553</b>	<b>906</b>	<b>5,917</b>	<b>10,274</b>
Change in the discount rate	29	(192)	-	(399)	(562)
Arising during the year	-	-	1,087	40	1,127
Utilised during the year	(127)	(205)	(608)	(421)	(1,361)
Reversed unused	(28)	-	(237)	(193)	(458)
Unwinding of discount	101	369	-	120	590
<b>At 31 March 2024</b>	<b>873</b>	<b>2,525</b>	<b>1,148</b>	<b>5,064</b>	<b>9,610</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	125	205	904	3,214	4,448
- later than one year and not later than five years;	468	769	244	-	1,481
- later than five years.	280	1,551	-	1,850	3,681
<b>Total</b>	<b>873</b>	<b>2,525</b>	<b>1,148</b>	<b>5,064</b>	<b>9,610</b>

**Note 33.3 Clinical negligence liabilities (Group and Trust)**

At 31 March 2024, £501,300k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of University Hospitals Sussex NHS Foundation Trust (31 March 2023: £618,427k).

**Note 34 Contingent assets and liabilities**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	-	(100)	-	(100)
<b>Gross value of contingent liabilities</b>	-	<b>(100)</b>	-	<b>(100)</b>
Amounts recoverable against liabilities	-	-	-	-
<b>Net value of contingent liabilities</b>	-	<b>(100)</b>	-	<b>(100)</b>
<b>Net value of contingent assets</b>	-	-	-	-

The contingent liability for Legal Claims represents the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES) notified to the Trust by NHS Resolution. The timings of the cash flows are based on estimated dates for the finalisation of the claims.

In 2019/20 Manchester Hospitals NHS Foundation Trust, received a claim from Unison on behalf of its members arguing that certain band 2 members of staff in the trust, were fulfilling duties beyond the scope of their band 2 description under AfC. It was decided that some band 2 staff were undertaking clinical duties and on that basis should be paid a band 3. The trust is aware of this decision and discussions are underway with relevant parties, however we are not able to estimate at this time, the cost for such payments and is disclosing this as a contingent liability.

**Note 35 Contractual capital commitments**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Property, plant and equipment	17,672	15,014	17,483	15,014
Intangible assets	-	24	-	24
<b>Total</b>	<b>17,672</b>	<b>15,038</b>	<b>17,483</b>	<b>15,038</b>

**Note 36 Other financial commitments**

The group and trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
not later than 1 year	393	393	393	393
after 1 year and not later than 5 years	785	1,178	785	1,178
<b>Total</b>	<b>1,178</b>	<b>1,571</b>	<b>1,178</b>	<b>1,571</b>

**Note 37 Defined benefit pension schemes**

Neither the group nor the trust has any defined benefit pension schemes.

**Note 38 On-SoFP PFI, LIFT or other service concession arrangements****PFI scheme details**

Contract start date	10-Jun-04
Contract end date	08-Jun-34
Length of project	30 years

The PFI Scheme relates to the Royal Alexandra Children's Hospital. The trust is entitled to provide healthcare services within the facility for the period of the PFI arrangement. The contract contains payment mechanisms providing for deductions in the unitary payment made by the Trust for poor performance and unavailability. The unitary charge for the scheme is subject to an annual uplift for future price increases. The operator Kajima is responsible for providing a managed maintenance service for the length of the contract, after such time these responsibilities revert to the Trust. During the reported period there were no changes to the contractual arrangements of the scheme.

**Note 38.1 On-SoFP PFI, LIFT or other service concession arrangement obligations**

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>49,101</b>	<b>30,296</b>	<b>49,101</b>	<b>30,296</b>
<b>Of which liabilities are due</b>				
- not later than one year;	4,449	3,568	4,449	3,568
- later than one year and not later than five years;	18,288	9,738	18,288	9,738
- later than five years.	26,364	16,990	26,364	16,990
Finance charges allocated to future periods	(12,125)	(7,792)	(12,125)	(7,792)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>36,976</b>	<b>22,504</b>	<b>36,976</b>	<b>22,504</b>
- not later than one year;	2,466	2,373	2,466	2,373
- later than one year and not later than five years;	11,841	5,899	11,841	5,899
- later than five years.	22,669	14,232	22,669	14,232

**Note 38.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments**

Total future commitments under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
<b>Total future payments committed in respect of the PFI, LIFT or other service concession arrangements</b>	<b>93,860</b>	<b>82,297</b>	<b>93,860</b>	<b>82,297</b>
<b>Of which payments are due:</b>				
- not later than one year;	8,184	6,451	8,184	6,451
- later than one year and not later than five years;	34,829	27,459	34,829	27,459
- later than five years.	50,847	48,387	50,847	48,387

**Note 38.3 Analysis of amounts payable to service concession operator**

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
<b>Unitary payment payable to service concession operator</b>	<b>7,882</b>	<b>6,673</b>	<b>7,882</b>	<b>6,673</b>
<b>Consisting of:</b>				
- Interest charge	2,191	1,300	2,191	1,300
- Repayment of balance sheet obligation	4,262	1,767	4,262	1,767
- Service element and other charges to operating expenditure	1,319	876	1,319	876
- Capital lifecycle maintenance	110	896	110	896
- Contingent rent	-	1,834	-	1,834
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	59	-	59	-
<b>Total amount paid to service concession operator</b>	<b>7,941</b>	<b>6,673</b>	<b>7,941</b>	<b>6,673</b>

**Note 39 Off-SoFP PFI, LIFT and other service concession arrangements**

Neither the group nor trust has any off-SoFP PFI, LIFT and other service concession arrangements.

**Note 40 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities**

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

**Note 40.1 Impact of change in accounting policy on the allocation of unitary payment**

	IFRS 16 basis (new basis) 2023/24 £000	IAS 17 basis (old basis) 2023/24 £000	Impact of change 2023/24 £000
<b>Unitary payment payable to service concession operator</b>	<b>7,882</b>	<b>7,882</b>	<b>-</b>
<b>Consisting of:</b>			
- Interest charge	2,191	1,239	<b>952</b>
- Repayment of balance sheet obligation	4,262	2,353	<b>1,909</b>
- Service element	1,319	1,319	-
- Lifecycle maintenance	110	110	-
- Contingent rent	-	2,861	<b>(2,861)</b>

**Note 40.2 Impact of change in accounting policy on primary statements**

<b>Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:</b>	<b>£000</b>
Increase in PFI / LIFT and other service concession liabilities	(16,825)
Decrease in PDC dividend payable / increase in PDC dividend receivable	605
Increase in cash and cash equivalents (impact of PDC dividend only)	-
<b>Impact on net assets as at 31 March 2024</b>	<b>(16,220)</b>
<b>Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:</b>	<b>£000</b>
PFI liability remeasurement charged to finance costs	(1,006)
Increase in interest arising on PFI liability	(952)
Reduction in contingent rent	2,861
Reduction in PDC dividend charge	605
<b>Net impact on surplus / (deficit)</b>	<b>1,508</b>
<b>Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:</b>	<b>£000</b>
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(17,728)
Net impact on 2023/24 surplus / deficit	1,508
<b>Impact on equity as at 31 March 2024</b>	<b>(16,220)</b>
<b>Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:</b>	<b>£000</b>
Increase in cash outflows for capital element of PFI / LIFT	(1,909)
Decrease in cash outflows for financing element of PFI / LIFT	1,909
<b>Net impact on cash flows from financing activities</b>	<b>-</b>

**Note 41 Financial instruments**

**Note 41.1 Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the trust has with commissioners and the way those commissioners are financed, the trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The trust has some powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the trust in undertaking its activities.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. The trust's treasury activity is subject to review by the trust's internal auditors.

**Currency risk**

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

The trust borrows from government for capital expenditure. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The trust therefore has low exposure to interest rate fluctuations.

**Credit risk**

Because the majority of the trust's revenue comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31st March 2024 are in receivables from customers, as disclosed in the trade and other receivables note to the accounts.

**Liquidity risk**

The trust's operating costs are incurred under contracts with Integrated Care Boards (ICBs) [formally Clinical Commissioning Groups (CCGs)], which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from a combination of its own self-generated funds and capital investment loans with reference to NHS Improvement's Continuity of Services Risk Rating. The trust is not, therefore, exposed to significant liquidity risks.

## Note 41.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2024	Held at fair	Held at fair	Total book value
	value	value	
	through	through	
	I&E	OCI	
	£000	£000	£000
Trade and other receivables excluding non financial assets	42,659	-	42,659
Cash and cash equivalents	20,076	-	20,076
Consolidated NHS Charitable fund financial assets	2,051	12,002	14,053
<b>Total at 31 March 2024</b>	<b>64,786</b>	<b>12,002</b>	<b>76,788</b>

Carrying values of financial assets as at 31 March 2023	Held at fair	Held at fair	Total book value
	value	value	
	through	through	
	I&E	OCI	
	£000	£000	£000
Trade and other receivables excluding non financial assets	58,747	-	58,747
Cash and cash equivalents	58,867	-	58,867
Consolidated NHS Charitable fund financial assets	1,657	16,154	17,811
<b>Total at 31 March 2023</b>	<b>119,271</b>	<b>16,154</b>	<b>135,425</b>

## Note 41.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2024	Held at fair	Held at fair	Total book value
	value	value	
	through	through	
	I&E	OCI	
	£000	£000	£000
Trade and other receivables excluding non financial assets	43,359	-	43,359
Other investments / financial assets	-	-	1,101
Cash and cash equivalents	19,669	-	19,669
<b>Total at 31 March 2024</b>	<b>63,028</b>	<b>-</b>	<b>64,129</b>

Carrying values of financial assets as at 31 March 2023	Held at fair	Held at fair	Total book value
	value	value	
	through	through	
	I&E	OCI	
	£000	£000	£000
Trade and other receivables excluding non financial assets	59,654	-	59,654
Other investments / financial assets	-	-	1,101
Cash and cash equivalents	56,956	-	56,956
<b>Total at 31 March 2023</b>	<b>116,610</b>	<b>-</b>	<b>117,711</b>

**Note 41.4 Carrying values of financial liabilities (Group)**

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2024</b>			
Loans from the Department of Health and Social Care	40,911	-	<b>40,911</b>
Obligations under leases	63,054	-	<b>63,054</b>
Obligations under PFI, LIFT and other service concessions	36,976	-	<b>36,976</b>
Trade and other payables excluding non financial liabilities	133,744	-	<b>133,744</b>
<b>Total at 31 March 2024</b>	<b>274,685</b>	-	<b>274,685</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2023</b>			
Loans from the Department of Health and Social Care	45,165	-	<b>45,165</b>
Obligations under leases	71,935	-	<b>71,935</b>
Obligations under PFI, LIFT and other service concessions	22,504	-	<b>22,504</b>
Trade and other payables excluding non financial liabilities	161,762	-	<b>161,762</b>
<b>Total at 31 March 2023</b>	<b>301,366</b>	-	<b>301,366</b>

**Note 41.5 Carrying values of financial liabilities (Trust)**

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2024</b>			
Loans from the Department of Health and Social Care	40,911	-	<b>40,911</b>
Obligations under leases	63,039	-	<b>63,039</b>
Obligations under PFI, LIFT and other service concessions	36,976	-	<b>36,976</b>
Trade and other payables excluding non financial liabilities	135,502	-	<b>135,502</b>
<b>Total at 31 March 2024</b>	<b>276,428</b>	-	<b>276,428</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2023</b>			
Loans from the Department of Health and Social Care	45,165	-	<b>45,165</b>
Obligations under leases	71,935	-	<b>71,935</b>
Obligations under PFI, LIFT and other service concessions	22,504	-	<b>22,504</b>
Trade and other payables excluding non financial liabilities	162,778	-	<b>162,778</b>
<b>Total at 31 March 2023</b>	<b>302,382</b>	-	<b>302,382</b>

**Note 41.6 Fair values of financial assets and liabilities**

The fair value for obligations under PFI contracts as at 31 March 2024 is £20,571k (31 March 2023 £33,391k).

**Note 41.7 Maturity of financial liabilities**

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
In one year or less	149,011	176,479	150,769	177,495
In more than one year but not more than five years	49,724	47,201	49,135	47,201
In more than five years	101,927	100,247	102,501	100,247
<b>Total</b>	<b>300,662</b>	<b>323,927</b>	<b>302,405</b>	<b>324,943</b>

**Note 42 Losses and special payments**

Group and trust	2023/24		2022/23	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	44	125	-	-
Bad debts and claims abandoned	135	447	358	160
Stores losses and damage to property	5	2,309	4	792
<b>Total losses</b>	<b>184</b>	<b>2,881</b>	<b>362</b>	<b>952</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	24	83	33	132
Ex-gratia payments	84	149	88	45
Special severance payments	-	-	1	31
<b>Total special payments</b>	<b>108</b>	<b>232</b>	<b>122</b>	<b>208</b>
<b>Total losses and special payments</b>	<b>292</b>	<b>3,113</b>	<b>484</b>	<b>1,160</b>
Compensation payments received				

**Note 43 Gifts**

As at 31 March 2024 no gifts were made (31 March 2023, £Nil).

**Note 44 Related parties***Group*

There were no related party transactions with individuals reported during the year.

The Department of Health and Social Care is regarded as the parent Department of the trust and is therefore a related party. During the year University Hospitals Sussex NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

For example:

NHS England  
Health Education England  
East Sussex Healthcare NHS Trust  
NHS Sussex ICB  
Sussex Community NHS Foundation Trust  
Sussex Partnership NHS Foundation Trust  
Portsmouth Hospitals University NHS Trust  
NHS Resolution

In addition, the trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Brighton and Hove City Council, East Sussex County Council and West Sussex County Council in respect of clinical services.

The Group comprises the Trust, Pharm@Sea Limited and My University Hospitals Sussex Charity.

The Trust has share capital of £1,101k with Pharm@Sea Limited.

Transactions with related parties are on a normal commercial basis and outlined below.

	<b>Income</b>	<b>Expenditure</b>
	<b>2023/24</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Pharm@Sea	255	23,879
My University Hospitals Sussex Charity	2,235	-
<b>Total</b>	<b>2,490</b>	<b>23,879</b>
	<b>Receivables</b>	<b>Payables</b>
	<b>2023/24</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Balances at year end		
Pharm@Sea	700	3,616
My University Hospitals Sussex Charity	753	-
<b>Total</b>	<b>1,453</b>	<b>3,616</b>

**Note 45 Events after the reporting date (Group and Trust)**

There were no events after the reporting period.

## Independent auditor's report to the Council of Governors of University Hospitals Sussex NHS Foundation Trust

### Report on the audit of the financial statements

#### Opinion on financial statements

We have audited the financial statements of University Hospitals Sussex NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2024 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-24 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Trust's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report and Accounts 2023/24, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

#### **Opinion on other matters required by the Code of Audit Practice**

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with NHS Foundation Trust Annual Reporting Manual 2023/24; and
- based on the work undertaken in the course of the audit of the financial the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

#### **Responsibilities of the Accounting Officer**

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the services to another public sector entity.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, fraud in revenue recognition and significant accounting estimates. We determined that the principal risks were in relation to:
  - Improper revenue recognition
  - Management override of controls
  - Revaluation of land and buildings
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - testing of income and year end receivables to invoices and cash payment or other supporting evidence;
  - journal entry testing, with a focus on journals meeting a range of criteria defined as part of our risk assessment;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including potential for fraud in revenue recognition and significant accounting estimates related to property, plant and equipment. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- Our assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter except on 19 June 2024 we identified:

- A significant weakness in respect of how the Trust plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the Trust's failure during the year ended 31 March 2024 to develop sufficient deliverable efficiency savings programmes to deliver its 2024/25 budget requirement. We recommended that the Trust completes the identification of the 2024/25 CIP programme by the end of quarter one to achieve a fully assessed programme. The Trust should aim for a CIP programme with 90% recurrent savings/efficiency initiatives for this year and future years. Additionally, the Trust should initiate the identification of a multi-year efficiency/financial improvement programme, recognising the need for further CIPs in the medium term, and report milestone progress to the Finance and Performance Committee.
- A significant weakness in the Trust's arrangements for governance. This was in relation to the lack of tangible evidence to date to show improvements in organisational culture, ongoing need for actions planned via the newly formed Quality & Safety Improvement Programme (QSIP) to be integrated into the Trust's daily operations, and the absence of confirmed resources required for the QSIP. We recommend that the Trust should focus on integrating the proposed plans for improving culture into its operations, fostering consistent and sustained practices across the Trust. This should involve evaluating improvements in staff confidence to raise concerns and the organisation's responsiveness to clinical issues. We also recommended that the Trust deliver its commitments to its regulators in a timely manner by effectively

executing the Quality and Safety Improvement Programme. This involves ensuring that changes facilitated through the programme yield tangible and positive outcomes on organisational culture and quality risk management processes, fostering a culture of ongoing improvement and prioritising patient safety. It is also crucial for the Trust to determine the financial resource needs of the QSIP to mitigate the significant risk its absence poses to delivery of the program.

#### **Responsibilities of the Accounting Officer**

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

#### **Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

### **Report on other legal and regulatory requirements – Certificate**

We certify that we have completed the audit of University Hospitals Sussex NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

#### **Use of our report**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

*Darren Wells*

Darren Wells, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

26 June 2024





**Formal Meeting of the Council of Governors  
to receive the 2023/24 Annual Report and Accounts  
for University Hospitals Sussex NHS Foundation Trust**

**Tuesday 30 July 2024**

**Time: 19:00 – 19:30**

**Louisa Martindale Building**  
 Royal Sussex County Hospital,  
 Eastern Road, Brighton, BN2 5BE

Item: 1	Time: 19:00	<b>Welcome and apologies for absence</b> To note	Verbal	Presenter: Chair
Item: 2	Time: 19:00	<b>Declarations of Interest</b> To note	Verbal	Presenter: Chair
		<b>Quoracy of Council of Governors Meetings</b> <i>A meeting of the Council shall be quorate and shall not commence until it is quorate. Quoracy is defined as meaning that there shall be present at the meeting at least one third of all Governors (7 allowing for vacancies). Of those present, at least 51% shall be elected Governors.</i>		
Item: 3	Time: 19:00	<b>Minutes of the AGM held on 25 July 2023</b> (noting these were approved by the Council on 17 August 2023) To note	Enclosure	Presenter: Chair
Item: 4	Time: 19:05	<b>External Annual Auditors Report 2022/23</b> for UHSussex NHS Foundation Trust To note	Enclosure	Presenter: External Audit (Grant Thornton)
Item: 5	Time: 19:20	<b>Acceptance of the Annual Report and Accounts as presented at the AGM</b> To accept noting earlier presentation and discussion	Verbal	Presenter: Chair
Item: 6	Time: 19:25	<b>Questions from Governors on the Accounts</b>	Verbal	Presenter: Chair
Item: 7	Time: 19:30	<b>Close of meeting</b>	Verbal	Presenter: Chair

# Minutes



University Hospitals Sussex

NHS Foundation Trust

**Minutes of the Council of Governors meeting held at 19.00 on Tuesday 25 July 2023, at Louisa Martindale Building, Royal Sussex County Hospital, Eastern Road, Brighton, BN2 5BE and via Teams Live Broadcast**

**Present:**

Alan McCarthy MBE DL	Chair
George Findlay	Chief Executive Officer
Andy Heeps	Deputy Chief Executive / Chief Operating Officer
Karen Geoghegan	Chief Financial Officer
David Grantham	Chief People Officer
Darren Grayson	Chief Governance Officer
Leanne McLean	Interim Chief Nurse
Claire Keatinge	Non-Executive Director
Paul Layzell	Non-Executive Director / Deputy Chair
Lucy Bloem	Non-Executive Director
Bindesh Shah	Non-Executive Director
Glen Palethorpe	Company Secretary
John Todd	Public Governor, Adur
Maria Rees	Public Governor, Arun
Frances McCabe	Public Governor, Brighton & Hove
Lindy Tomsett	Public Governor, Chichester (Lead Governor)
Maggie Gormley	Public Governor, Chichester
Colin Holden	Public Governor, Mid-Sussex
Doug Hunt	Public Governor, Mid-Sussex
Pauline Constable	Public Governor, Worthing
Alison Cooper	Appointed Governor, West Sussex County Council
Sue Shepherd	Staff Governor, Worthing & Southlands Hospitals

**In Attendance:**

Darren Wells	Grant Thornton
Paul Jacklin	Grant Thornton
Ben Smith	Deputy Company Secretary
Jan Simmons	Governor & Membership Manager

**COG/07/23/1 WELCOME AND APOLOGIES FOR ABSENCE ACTION**

- 1.1 The Chair welcomed those attending the meeting in person and those who were attending virtually via the MS Teams Live Broadcast and took the opportunity to also welcome two new recently elected Governors; Colin Holden representing the constituency of Mid-Sussex and Claire Bewick-Holmes, Staff Governor for Princess Royal Hospital, Haywards Heath.
- 1.2 Apologies for absence were noted from:
  - Executives:** Katie Urch, Chief Medical Officer
  - Non-Executive Directors:** Lizzie Peers, Malcolm Reed, Jackie Cassell and Sadie Mason
  - Public Governors:** Paul Wayne
  - Staff Governors:** Jo Norgate, Claire Bewick-Holmes
  - Appointed Governors:** Kate Galvin, Helen Rice

**COG/07/23/2 CONFIRMATION OF QUORACY**

- 2.1 The meeting was quorate with more than one third of all Governors in attendance and at least 51% of those present being publicly elected Governors.

**COG/07/23/3 DECLARATIONS OF INTERESTS**

- 3.1 There were no interests to declare.

**COG/07/23//4 MINUTES OF THE MEETING HELD ON 27 July 2022 (noting these were approved by the Council on 18 August 2022)**

- 4.1 The Council **noted** that the minutes of the Annual General Meeting held on 27 July 2022 had been approved by the Council on 18 August 2022.

**COG/07/23/5 MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING**

- 5.1 There were no matters arising from the minutes of the previous meeting held on 27 July 2022.

**COG/07/23/6 EXTERNAL ANNUAL AUDITORS REPORT 2022/23 FOR UHSUSSEX NHS FOUNDATION TRUST**

- 6.1 The Council **RECEIVED** the Auditor's Annual Report in relation to the audit of University Hospitals Sussex NHS Foundation Trust, presented by Darren Wells from Grant Thornton, External Auditors for the Trust.
- 6.2 Darren gave an overview of their scope of work and highlighted the key areas of the report adding that the financial statement for the Trust gave a true and fair view of the financial position as at 31 March 2023 and of its expenditure and income for the year then ended.
- 6.3 The Council noted that good cooperation from the Trust and the Finance Team had contributed to a very good high quality draft Statement of accounts and their early submission on 28 June 2023.
- 6.4 Darren advised of one immaterial change made to the balance sheet in respect of property, plant and equipment along with a number of changes to disclosure notes but nothing to highlight.
- 6.5 The report concluded that there were no risks of significant weakness in arrangements identified in relation to the Trust's financial sustainability or improving economy, efficiency and effectiveness. It did identify significant weakness in arrangements for quality governance but recognised the embedding of plans to demonstrate improvements.
- 6.6 The Chair thanked Darren and Grant Thornton for the presentation and welcomed the receipt of the positive report for the Trust.

**COG/07/23/7 ACCEPTANCE OF THE ANNUAL REPORT AND ACCOUNTS AS PRESENTED AT THE AGM**

- 7.1 The Council of Governors **AGREED** the receipt of the Annual Report and Accounts for 2022/23 for University Hospitals Sussex NHS Foundation Trust for which a presentation had been made at the Annual General Meeting.

**COG/07/23/8 QUESTIONS FROM GOVERNORS ON THE ACCOUNTS**

- 8.1 There being no questions from the Governors, the Chair opened the meeting to questions from the public.
- 8.2 Alexander Leaney asked if and how the CQC's view of the Trust had been taken into account in the Auditor's report. Darren replied that although the report had to reflect the CQC's findings, the Trust had a robust process in place to address the issues raised.

**COG/07/23/9 OTHER BUSINESS**

- 9.1 There was no other business to discuss.

**COG/07/23/10 DATE OF NEXT MEETING**

It was noted that the next meeting of the Council of Governors is scheduled to take place at 14.00 on Thursday 17 August 2023.

Jan Simmons  
Governor & Membership Manager  
25 July 2023

Signed as a correct record of the meeting

..... Chair

..... Date

# University Hospitals Sussex NHS Foundation Trust

Auditor's Annual Report for the  
year ended 31 March 2024

June 2024



# Contents

Section	Page
Introduction	03
Executive summary	04
Opinion on the financial statements and use of auditor's powers	07
Value for Money commentary on arrangements	10
The current NHS landscape	11
Financial sustainability	12
Governance	16
Improving economy, efficiency and effectiveness	20
Recommendations raised in 2023/24	22
<b>Appendices</b>	
Appendix A – Responsibilities of the NHS Trust	29
Appendix B – Value for Money Auditor responsibilities	30
Appendix C – Follow-up of previous recommendations	31



We are required under Schedule 10 paragraph 1(d) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for University Hospitals Sussex NHS Foundation Trust during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. Here we draw the reader's attention to relevant issues, recommendations arising from our work and how the Trust has responded to recommendations made in previous years. The responsibilities of the Trust are set out in Appendix A.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the remuneration report and undertake work relating to the Whole of Government consolidation exercise.

### Value for money

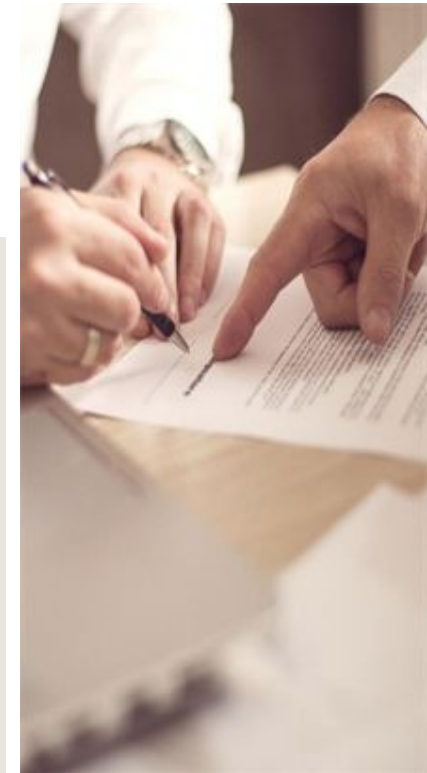
We report our judgements on whether the Trust has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

### Other powers

Auditors of a Foundation Trust have a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the relevant NHS regulatory body.

Auditors of Foundation Trusts also have the duty to consider whether to issue a report in the public interest (PIR), where it is appropriate to do so



The Value for Money Auditor responsibilities are set out in Appendix B.



# Executive summary

# Executive summary

Under Schedule 10 paragraph 1(d) of the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas as set out below.



## Financial sustainability

Our work has identified challenges with the financial sustainability of the Trust in the short and medium term. For 2023/24, the Trust submitted a breakeven financial plan, which was revised in year to a £10.3m deficit. The year end position was a deficit of £14.95m, £4.5m adverse to the revised plan. This was underpinned by a CIP (Cost Improvement Programme) delivery programme of £62m, of which £52.8m (85%) was achieved. £46.1m of the total delivery was recurrent, with £6.7m of non-recurrent benefit delivered. For 2024/25, the Trust has planned for a deficit of £39.9m, including a significant CIP programme of £75m, equating to 5% of the Trust's operating expenditure. At the start of the year, £49.6m of the programme has been classed as 'High Risk'. The heightened deficit, reliant on the successful delivery of an expanded CIP programme with a substantial portion deemed high risk, highlights a significant weakness in the current arrangements.

We have raised one key recommendation and three improvement recommendations which has been accepted by management.

## Governance

Last year, we concluded a significant weakness in arrangements existed in respect of risk management, quality governance and organisational culture. The Trust has made substantial advancements in its risk management and escalation process through a strengthened quality governance structure, which has matured significantly in the 2023/24 year. The Trust is also still grappling with long standing issues relating to organisational culture. The launch of the Quality and Safety Improvement Programme highlights the Trust's commitment to enhancing quality, governance, and culture. However, it is too early to evidence sustained improvement and the uncertainty surrounding resourcing requirements to successfully implement the Quality and Safety Improvement Programme poses a significant risk to its successful execution. Due to the Trust's going issues with organisational culture and the risk to delivery of the QSIP, we are raising a Significant weakness in relation to Governance.

We have raised two Key recommendations and two Improvement recommendations which has been accepted by Management.

## Improving economy, efficiency and effectiveness

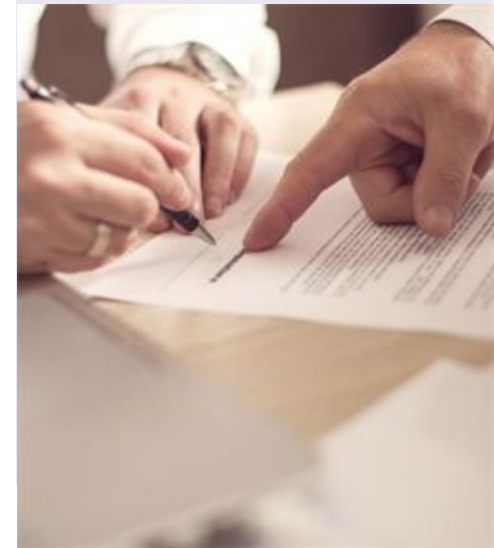


Despite being in Tier 1 oversight for Referral to Treatment (RTT) and Cancer, the Trust has observed a reduction in long waiting times and the overall waiting list, with targeted actions ongoing to address all areas of performance. The Trust regularly reviews its strategic priorities and has approved a new clinical strategy, with plans underway for an overall Trust strategy and a 5-year service development roadmap to be created in the 2024/25 FY. There are robust contract management, oversight of managed service contracts, and procurement arrangements in place, including joint procurement efforts within the ICS.

Our work has not identified any evidence which leads us to conclude that there are weaknesses present, we have however raised one Improvement recommendation which has been accepted by Management.



We have completed our audit of your financial statements and plan to issued an unqualified audit opinion by the 28 June 2024 deadline.



# Executive summary (continued)



## Overall summary of our Value for Money assessment of the Trust's arrangements

Criteria	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	2022/23 Auditor judgement on arrangements
Financial sustainability	Risk of significant weakness with regard to the Trust's arrangements to secure financial sustainability was identified.	R We identified a Significant weakness in the Trust's financial sustainability arrangements in respect of arrangements to deliver CIP programme for 2024/25, underpinned by the deteriorating financial position of the Trust. We have also raised 2 improvement recommendations, highlighting the medium-term financial planning process at the Trust, and the development of financial plans in relation to the Quality and Safety Improvement plan.	A No significant weaknesses in arrangements identified, but three improvement recommendation made to support the Trust in improving financial sustainability arrangements.
Governance	Risk of significant weakness with regard to the Trust's governance arrangements was identified.	R We have identified a Significant weaknesses in the Trust's Governance arrangements and have made two Key recommendations for the Trust to progress organisational cultural change and the delivery and resourcing of the Quality and Safety Improvement Programme. We have also raised two improvement recommendations aimed at enhancing the integration of clinical processes and pathways to further strengthen risk management, and for the Trust Board to receive an assurance report following the R-v-Letby case.	R Our work identified a Significant weakness in arrangements for quality governance and therefore raised a key recommendation on embedding plans to demonstrate improvements.
Improving economy, efficiency and effectiveness	No risk of significant weakness with regard to the Trust's economy, efficiency and effectiveness arrangements was identified.	A No significant weaknesses in arrangements identified, but one improvement recommendation has been made in relation to improving Referral to Treatment and Cancer performance.	A No significant weaknesses in arrangements identified, but four improvement recommendations made around the Trust ensuring plans to improve operational performance are embedded, ongoing improvement of the Trust Business Intelligence capabilities, improve performance reporting to the board around the NHS SOF rating and workforce metrics.

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.



# Opinion on the financial statements and use of auditor's powers

# Opinion on the financial statements



## Audit opinion on the financial statements

We issued an unqualified opinion on the Trust's financial statements on xx June 2024.

The full opinion is included in the Trust's Annual Report for 2023/24, which can be obtained from the Trust's website.

## Grant Thornton provides an independent opinion on whether the Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Trust in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Trust provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Our audit has not identified any misstatements impacting on the Trust's £14.952m deficit position.

Our testing identified one significant adjustment of £1.9m that increased the Trust's Property Plant and Equipment balance and a £2.2m overstatement of a Right of use Asset. The Trust has amended their financial statements accordingly.

We will provide our audit opinion by the 28 June 2024 deadline.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Trust's Audit Committee on 19 June 2024. Requests for this Audit Findings Report should be directed to the Trust.



# Other reporting requirements and use of auditor's powers



## Remuneration and Staff Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the Trust's Annual Report for 2023/24. These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023/24.

## Annual Governance Statement

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2023/24 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We have nothing to report in this regard.

## Annual Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether, based on the work undertaken in the course of the audit of the Trust's financial statements for 2023/24, the other information published together with the financial statements in the Trust's Annual Report for 2023/24 is consistent with the financial statements. We have nothing to report in this regard.

## Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. Our work did not identify any significant issues.

## We bring the following matters to your attention:

### Referrals to the relevant regulatory body

We did not make a referral under Schedule 10 paragraph 6 of the National Health Service Act 2006. We do not consider that any unlawful expenditure has been made or planned for.

### Public Interest Report

Under Schedule 10 paragraph 3 National Health Service Act 2006, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at University Hospitals Sussex NHS Foundation for 2023/24.



# Value for Money Commentary on arrangements

# The current NHS landscape



## National context

In 2023/24, the NHS has continued to show commitment to patient care and service delivery. Advancements in digital health technologies including virtual wards have the potential to support service redesign, reduce waiting times, and improve patient outcomes. Data published by NHS England in April 2024 indicates that performance against key metrics for elective waiting times, diagnostic tests access, and A&E 4 hour waits all improved year on year, though performance is still some way from target. These achievements demonstrate the resilience and adaptability of NHS staff amidst ongoing pressures.

Integrated Care Systems, established on 1<sup>st</sup> July 2022, remain at varying stages of maturity. Some systems have developed changes to patient pathways designed to improve outcomes, create efficiencies, tailor services to the needs of their local population and address local health inequalities. Most systems continue to face significant challenges, including workforce shortages, rising demand for healthcare services, and efficient resource management, all resulting in financial sustainability uncertainties.

Pay and productivity remain key challenges nationally. Staffing numbers have increased significantly since 2019/20 with staff costs now exceeding the funding available in many systems, exacerbated by industrial action costs. At the same time, activity growth has not kept pace, leaving a “productivity gap” that is not yet fully understood. This is further hampered by staff absences and pressures in social care staffing. NHS England has requested that all systems formally review the workforce increases seen over recent years. Many NHS bodies are already recognising an urgent need to manage down their temporary and agency staff costs, and recruit and retain the substantive staff they need to deliver services. There also needs to be a continued focus on quality and ensuring system governance is sound. Learning from public inquiry reports and maintaining high standards of behaviour is key to improving patient safety and building public trust.

These challenges are likely to make 2024/25 another challenging year for all local health services. However, the NHS is focusing on the recovery of core services through continuous improvement in access, quality, and productivity whilst transforming the way care is delivered and creating stronger foundations for the future.

## Local context

University Hospitals Sussex NHS Foundation Trust (UHS) was formed in April 2021, from the merger of Western Sussex Hospitals NHS Foundation Trust and Brighton and Sussex University Hospitals NHS Trust. Employing approximately 20,000 staff, the Trust caters to some 1.8 million people in the Sussex region. Operating seven hospitals across Brighton & Hove and West Sussex, it stands as one of the largest acute services providers within the NHS. UHS has faced regulatory scrutiny, with frequent CQC inspections and entering Undertakings with NHSE regarding its provider license in 2023/24. The Trust is currently under police investigation concerning historical issues within some of its surgical services at the Royal Sussex Hospital. Like most NHS Trust nationally, UHS is experiencing ongoing significant financial and operational challenges which have been exacerbated by workforce industrial action. The Trust also faces challenges integrating services and operations post-merger.

The Trust is one of seven NHS providers that form part of the Sussex Health and Care Integrated Care System (ICS), which is made up of health and care organisations across Sussex. Following the national trend, Sussex Health and Care ICS is operating within a challenged performance and financial environment. The Sussex ICS reported a combined underlying deficit of £175.6m in 2023/24.

It is within this context that we set out our commentary on the Trust’s value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified to support management in 2024/25.

# Financial sustainability



We considered how the Trust:	Commentary on arrangements	Assessment
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Trust's financial plan for 2024/25 and Medium-Term Financial Plan reveals significant short and medium-term pressures. In 2023/24, the Trust initially submitted a breakeven financial plan but later revised it during the year, forecasting a deficit of £10.33m, with the outturn position reporting a deficit of £14.95m. The underlying deficit of the Trust has been reported as £40m for 2023/24, which further rises to £66.40m at the end of 2024/25. Financial pressures at the Trust for this year include the development and delivery of its Quality and Safety Improvement Programme (QSIP). We have raised one improvement recommendation in relation to the resourcing of this programme.	A
plans to bridge its funding gaps and identify achievable savings	In 2023/24 the Trust delivered £52.8m of its £62m CIP delivery programme (85%). Of the delivery, £46.1m was recurrent efficiency savings, with £6.7m of non-recurrent benefit delivered. Looking forward, the Trust faces an extensive CIP programme of £75m for 2024/25. At the start of the financial year, a large proportion of these CIP programmes are still classed as 'opportunity' schemes, with £49.6m rated as 'High Risk'. This poses a significant weakness to the Trust's financial sustainability if these targets cannot be achieved within year. We have therefore raised a Key Recommendation in respect to this. This is further covered on page 13-14.	R
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	We raised an improvement recommendation in 2022/23 in respect of the Trust's medium term financial plan to provide assurance that the Trust can achieve reported and underlying financial sustainability in the next 3-5 years. From our review, it is clear the Trust has undertaken work to improve its Medium -Term Financial Planning processes within the year. The Trust should now focus on embedding these new processes, and ensure the monitoring, updating and evaluation of the medium-term financial position regularly and consistently to allow for greater financial oversight and foresight.	A
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	From our review, we are satisfied that the financial plans are consistent with other plans such as workforce, capital, and other operational planning which may include working with other local public bodies as part of the wider system. We have sufficient evidence to confirm that arrangements are robust.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	From our review, the Trust identifies and manages risk to financial resilience, which is outlined in the Trust's Operational Plan for 2024/25.	G

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability (continued)



## Significant weakness identified

In 2023/24, the Trust initially submitted a breakeven financial plan, which was later revised to a forecasted deficit of £10.33 million. The Trust ended the year with a deficit of £14.95 million. The drivers of this year end deficit position were the costs of industrial action, high operating expenditure associated with Mental Health services, and the excess cost of inflationary pressures. Looking forward, the financial plan for 2024/25 forecasts a £39.9m deficit, including a demanding £75m CIP programme (5% of total operating expenditure). The underlying deficit of the Trust has been reported as £40m for 2023/24, which further rises to £66.4m in 2024/25. As seen in the graph below, the ongoing demand for the Trust to deliver extensive CIP programmes, underpinned by a worsening deficit position shows a significant weakness in the Trust's ability to achieve financial sustainability. We are therefore raising a Key recommendation regarding arrangements for the extensive CIP programme for 2024/25.

## CIP delivery and planning for 2024/25

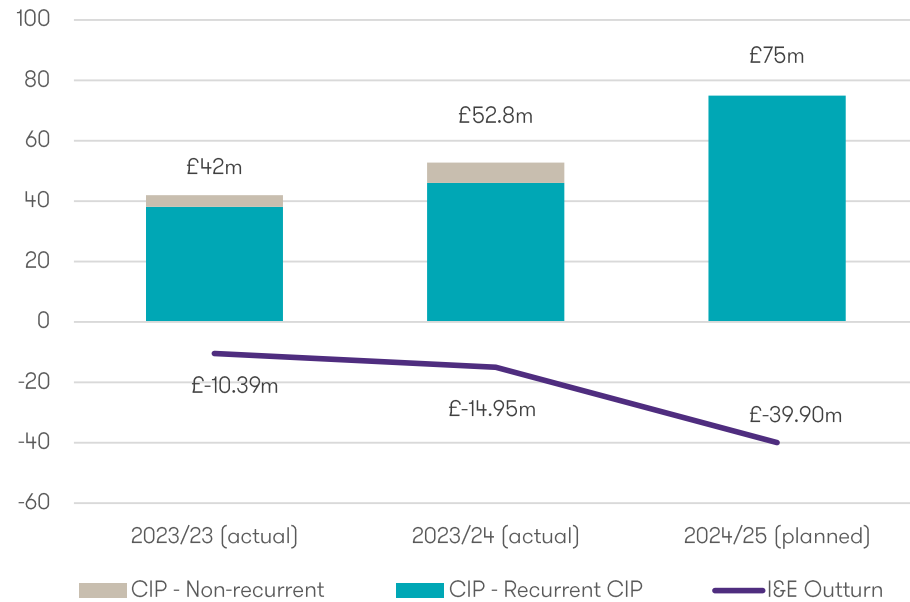
In our previous Value for Money assessment, we raised an improvement recommendation that the Trust progress at speed to develop a pipeline of CIP schemes, allowing the Trust to be confident that it would deliver the £62m CIP target and de-risk the delivery of the 2023/24 financial plan.

In 2023/24, the Trust reported delivery of £52.8m efficiency savings against a £62m target (£9.2m behind plan), equating to 85% of the target. The main areas of underperformance were: Bed De-Escalation Schemes, Medical Pay Schemes, Theatre capacity consolidation, RSCH ED corridor exit initiatives, and RMN nursing spend reduction plans. This under delivery was also underpinned by the direct and indirect financial and operational disruption from industrial action.

The Trust's Operational Plan for the 2024/25 has outlined a CIP delivery programme of £75m. Of this, a significant proportion (62%) are rated as high-risk schemes (£46.9m), with £21.2m classed as medium risk, and £6.8m as low-risk efficiencies. From our discussions with Finance and Improvement leads, the Trust has struggled with the timings of this year's planning process (noting the national planning guidance was delayed) meaning that identification, planning and timetabling of efficiency plans are not as mature as previous years.

Experience has shown that Trusts commencing a financial year with a substantial portion of CIP schemes assessed as 'green,' particularly with a high percentage (90%+) being recurrent, are more likely to meet their financial targets. The Trust's current status of CIP identification at the beginning of the year raises concerns about its ability to achieve the planned targeted deficit.

Financial performance and CIP delivery



# Financial sustainability (continued)



## Significant weakness identified (continued)

These challenges underline the urgent need for strategic interventions and decisive actions to address the operational and financial strains faced by the Trust. Proactive measures, including the effective identification and development of 'Opportunity' CIP programmes and the early exploration of multi-year solutions, are crucial to stabilise the Trust's financial position and pave the way for sustainable recovery. We have therefore raised a key recommendation for the Trust to create a multi-year improvement programme, with a robust and well-structured framework for monitoring and delivering efficiency savings.

### Key Recommendation 1:

We recommend the Trust completes the identification of the 2024/25 CIP programme by the end of quarter one to achieve a fully 'green' assessed programme. The Trust should aim for a CIP programme with 90% recurrent savings/efficiency initiatives for this year and future years. Additionally, initiate the identification of a multi-year efficiency/financial improvement programme, recognising the need for further CIPs in the medium term, and report milestone progress to the Finance and Performance Committee

# Financial sustainability (continued)



## Areas for improvement

### Quality and Safety Improvement Financial Planning

The Trust has recently initiated its Quality and Safety Improvement Programme (QSIP) in response to the NHSE Undertakings. This is assessed within our review of 'Governance' arrangements. Whilst the plan is in its initial stages of implementation, there is currently a lack of confirmed resources required for its execution. It is important to note that the Trust does not anticipate receiving additional funding from ICB or NHSE to support the completion of this initiative. Consequently, the Trust is expected to draw resources from its existing financial allocation to facilitate the delivery of the plan.

**Improvement recommendation 2** – The Trust should urgently conduct a comprehensive resource assessment to determine the necessary staffing, funding, and infrastructure requirements for the successful delivery of the QSIP and build this into its financial plans.

### Medium Term Financial Planning

In our last year's Value for Money review, we recommended the medium-term financial plan is updated further to provide assurance that the Trust can achieve financial sustainability in the next 3 to 5 years. The Trust has actioned this improvement recommendation and developed a new financial model to analyse the medium to longer term financial outlook of the Trust.

The new model builds on the learning in relation to income and expenditure categories used. These are now in line with standard categories in the NHS provider annual planning template and monthly provider's financial return. The new model is reported periodically and reconciled with Trust and system plans. The Trust is currently going through a process of updating the Medium-Term Financial Plan to align with the 24/25 operational plan. The Trust now must focus on implementing these new processes, and ensure the monitoring, updating and evaluation of the medium-term financial position regularly and consistently to allow for greater financial oversight and foresight.

**Improvement recommendation 3** – Whilst acknowledging the improvements made within the Trust's framework and the development of the Medium-Term Financial planning model, we recommend the Trust integrates this task into its standard financial operating procedures. It is crucial to ensure that the monitoring, updating, and evaluation of the medium-term financial position is conducted regularly and consistently.

This approach will enable greater financial oversight and foresight, ultimately supporting proactive decision-making and strategic financial management within the Trust.

# Governance



## We considered how the Trust:

## Commentary on arrangements

## Assessment

<p>monitors and assesses risk and how the Trust gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Trust's current risk management and escalation process is underpinned by a strengthened quality governance structure, supported by the Trust Management Committee (TMC), Quality Governance Steering Group (QGSG), and the newly implemented Risk Oversight Group (RoG). Further, the standardisation of the quality governance approach throughout the Trust has substantially strengthened the overall quality governance structure, offering executives improved visibility into clinical risks at the ward level. There is also recognition of the ongoing need to further refine the underlying structures supporting the quality governance approach, particularly in relation to the clinical operating model and integration between the Trust's historic systems and processes. We have therefore raised an improvement recommendation for the Trust to address this.</p> <p>The Board did not receive a report detailing the measures taken by the Trust to address the identified weaknesses within the NHS following the R-v-Letby case verdict. In light of the Trust's historical issues related to speaking up and organisational culture, we propose an improvement recommendation for the Trust Board to be provided with a summary of the actions undertaken by the Trust.</p>	<p style="text-align: center; font-weight: bold;">A</p>
<p>approaches and carries out its annual budget setting process</p>	<p>There are comprehensive arrangements in place governing the approach and execution of the Trust's annual budget setting process. Our review indicates that the Trust has implemented strong procedures and protocols to ensure transparency, accountability, and accuracy in budget setting, providing adequate oversight and assurance to stakeholders.</p>	<p style="text-align: center; font-weight: bold;">G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Trust regularly reported on its financial performance to the monthly Sustainability Committee. The report includes an executive summary with key messages, analysis of drivers of the financial deficit, elective recovery performance, divisional performance and agency spend, cash flow forecast, and capital spend. Additionally, a separate Financial Forecast roadmap report outlined financial risks and associated actions to achieve the 2023/24 financial plan. The Sustainability Committee also received a monthly report from the efficiency programme and quarterly updates on the capital programme. In April 2024, the Trust restructured its Board committees, establishing the Finance and Performance Committee (FPC) by merging the Sustainability Committee and the System and Partnerships Committee. Financial performance is reported to the Board through the sustainability domain within the Integrated Performance Report (IPR).</p>	<p style="text-align: center; font-weight: bold;">G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Governance (continued)



## We considered how the Trust:

## Commentary on arrangements

## Assessment

ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

Sussex Police are investigating allegations of historical clinical negligence within the Trust’s Neurosurgery and General surgery departments. The investigation is in its early stages, with no formal charges or police interviews conducted to date. The Trust has appropriate governance arrangements in place relating to the investigation and is actively working with the ICB, NHSE and the Police with ongoing queries as the investigation progresses.

The Trust committed to undertakings on its provider license with NHSE in 2023, with a specific focus on quality and governance enhancements. Consequently, the Trust launched the QSIP as an integral part of its overarching Single Plan for Improvement, addressing improvement priorities across eight domains under a unified governance framework. However, the finalisation of resourcing requirements for the programme remains pending and poses a significant risk to the Trust’s ability to execute the improvement plan.

Additionally, the Trust recently appointed a new Chief Cultural Officer, who is in the process of finalising a report stemming from an organisational cultural inquiry. The identification of six action areas indicates that the Trust is in the initial stages of a substantial transformation in addressing its cultural challenges. Despite the extensive improvement plans and associated governance structures in place through QSIP, there is a lack of tangible evidence demonstrating improvements in organisational culture. The 2023 staff survey results indicate that staff still exhibit hesitancy in speaking up. We have identified a Significant Weakness in the area of Governance based on these factors, as well as the absence of confirmed resources required for the execution of the QSIP. This is further covered on page 18.

R

monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour

The Trust has appropriate arrangements in place for declaring interests, gifts, and hospitality, it maintains an up-to-date Register of Interests for Board members and seeks verbal declarations of interest at the start of each public and private Board meeting.

In August 2022 a CQC inspection resulted in the Trust having conditions imposed on its registration. This resulted in the suspension of the Upper GI elective surgical service. The Trust remains compliant with the requirement from the CQC to cease to undertake elective Upper GI Cancer Surgery, with arrangements in place to refer affected patients to other trusts.

The Trust has appropriate arrangements for managing single tender waivers. To enhance the governance of the waiver process, additional value for money scrutiny will be applied to certain waiver requests in the future.

There were two critical IT incidents in June 2023 and January 2024. As a result of this, the Trust has enacted suitable measures to manage the risks associated with these critical incidents and has put in place a comprehensive improvement plan.

G

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# Governance (continued)



## Significant weakness identified

Our prior year VfM assessment raised a Key Recommendation that the Trust ensures that proposed changes to the risk management and review process and quality governance arrangements are embedded from ward to Board. Further, it was recommended that specific service quality risks, such as those highlighted by the CQC, are captured at ward and care group level and escalated to Board and the relevant Committees.

Based on our assessment, there is a clear improvement trajectory, and it is evident that the Trust has made progress in addressing the previous year's recommendation to enhance risk management and quality governance structures from ward to Board (see structure outline on page 19). The Trust has also implemented other robust governance structures such as the QSIP as required by the NHSE Undertakings on their provider license and appointed a Chief Cultural Officer to drive its response to the concerns relating to organisation culture.

The Chief Cultural Officer recently completed a diagnostic assessment of the Trust's culture and is currently finalising a 100-day report. The report outlines six priority areas for improvement in culture and organisational development. The priority areas will be mobilised as part of the culture workstream of the QSIP, but this work is yet to begin.

Despite this progress, it is important to acknowledge that the Trust has yet to demonstrate the full impact of these changes on the entrenched issues surrounding organisational culture and quality risk management. Ongoing concerns, such as the confidence in speaking up and the organisation's responsiveness to clinical concerns, as highlighted in the 2023 staff survey results, and the Trust's commitments to NHSE by entering undertakings on their provider license regarding quality and governance, indicate the need for further embedding of these improved processes into the Trust's operations.

Initial costing for QSIP shows that an investment of £10-15m and other capital investment is required. At this stage the Trust is required to resource the programme within its current financial allocation. The Trust is yet to establish how the programme will be financially resourced through this mechanism. The absence of confirmed resources required for the execution of the QSIP poses a significant risk to the successful delivery of the programme aimed at improving organisational culture.

We are therefore maintaining the Significant weakness in the area of Governance on the basis of lack of tangible evidence to date, to show improvements in organisational culture, ongoing need for actions planned via the newly formed QSIP to be integrated into the Trust's daily operations, and the absence of confirmed resources required for the execution of the QSIP.

### Key Recommendation 2:

In order to tackle the long-standing issues related to organisational culture, the Trust should focus on integrating the proposed plans for improving culture into its operations, fostering consistent and sustained practices across the Trust. This should involve evaluating improvements in staff confidence to raise concerns and the organisation's responsiveness to clinical issues.

### Key Recommendation 3:

It is imperative for the Trust to deliver its commitments to NHSE in a timely manner by effectively executing the Quality and Safety Improvement Programme. This involves ensuring that changes facilitated through the programme yield tangible and positive outcomes on organisational culture and quality risk management processes, fostering a culture of ongoing improvement and prioritising patient safety. It is also crucial for the Trust to determine the financial resource needs of the QSIP to mitigate the significant risk its absence poses to delivery of the program.

# Governance (continued)



## Areas for improvement

### Quality Governance

The Trust has established a robust risk management and escalation process, reinforced by a strengthened quality governance structure. This process is supported by the QGSG, which gathers risk information from wards via divisional reports, and the TMC, which conducts a monthly review of the Corporate Risk Register (CRR) after the QGSG's assessment of divisional risks. Additionally, the Trust Board committees' meetings receive reports from the executive strategic risk owner, drawing upon the CRR and TMC meetings to evaluate the committees' allocated strategic risks. Furthermore, the implementation of the Risk Oversight Group (RoG) has created a collaborative platform, promoting accountability of actions and engagement across divisions and corporate functions. Divisional assurance reports into the Patient and Quality Committee also incorporate associated CQC actions addressed by each division as required. This comprehensive structure facilitates the flow of quality risk assessment and management from ward level to Board level. The standardisation of the quality governance approach has bolstered the overall quality governance structure, providing executives with enhanced visibility into clinical risks at the ward level, this was affirmed by executives interviewed.

While the Trust has made strides in enhancing existing processes, there is an ongoing recognition of the need to further refine the foundational structures supporting the quality governance approach, particularly concerning the clinical operating model and the integration of the Trust's historical systems and processes. Although efforts are already underway via the 5-year service development roadmap (discussed further on page 21) to address these areas, there is a risk that refinement of the Trust's quality governance structure may be overlooked as the roadmap work is predominantly strategy led, we have therefore raised an Improvement recommendation for the Trust to continue prioritising these refinements.

**Improvement recommendation 3** – The Trust should prioritise further refinement of the underlying structures supporting the quality governance approach, with particular focus on enhancing the alignment with the clinical operating model and integrating the Trust's historical systems and processes. This will help to ensure continued improvement and maturity of the existing processes, fostering a more seamless and integrated quality governance framework.

### Assurance report around National issues

Although the Board held a discussion at its workshop in September 2023 to reflect on how the Letby case may impact how the Board needs to work, it did not receive a report on how the Trust has assured itself around weaknesses identified within the NHS following the verdict. Given the Trust's historical concerns around speaking up and poor culture, the Trust Board should ensure it can demonstrate an enquiring and questioning attitude in relation to issues highlighted by national coverage and reports.

**Improvement recommendation 4** – We recommend the Trust produce a brief summary report as a record of actions it has undertaken to gain assurance around weaknesses within Maternity services identified from the R-v- Letby case.

# Improving economy, efficiency and effectiveness



We considered how the Trust:	Commentary on arrangements	Assessment
uses financial and performance information to assess performance to identify areas for improvement	The Trust's Integrated Performance Report (IPR) aligns with the Patient First Strategy and provides insights into performance, interventions and risks. The Trust has improved reporting on staff KPIs and NHSE National Oversight Framework (NOF) segmentation in response to our prior year recommendations. Data accuracy is ensured through proactive cleansing activities and a Trust-wide governance structure for data quality, with significant improvements reported. The Trust uses external benchmarking tools and participates in improvement programmes through the Getting it Right the First Time Further Faster programme. Currently in Tier 1 for RTT and Cancer performance, the Trust is implementing recovery plans and initiatives to address performance and to achieve Tier 1 exit. An Improvement recommendation has been raised for the Trust to ensure ongoing review of the effectiveness of arrangements in place to improve performance.	A
evaluates the services it provides to assess performance and identify areas for improvement	Following an unannounced CQC inspection in August 2023, all Trust hospitals were rated as 'Requires Improvement', with surgery services at two hospitals improving from 'Inadequate' to 'Requires Improvement'. The Trust has closed five CQC action plans and implemented a robust governance structure to monitor the remaining four. Monthly divisional action plan reports are submitted to the CQC compliance team, and a CQC improvement steering group ensures actions are embedded into business as usual. Progress against the remaining CQC action plans is reported to the Patient and Quality Committee and the QGSC. The Trust is in Segment 3 of the NOF, and the establishment and delivery of a Single plan for Improvement is crucial for exiting Segment 3. The Trust has detailed plans in place to requirements for exit. We have however highlighted the significant risk of unidentified resources to the delivery of QSIP as part of the Governance Key recommendations and the Improvement recommendation relating to Financial Sustainability.	A
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Trust regularly reviews its strategic priorities and approved a new clinical strategy in August 2023 developed in partnership with clinical division leadership and feedback from various stakeholders. Additionally, the Trust is updating its overarching strategy, which will include a 5-year service development roadmap. The roadmap will articulate how the Trust plans to optimise processes and infrastructure, standardize pathways, and integrate clinical services within the wider ICS. Activities of the ICB have been consistently discussed at Trust Board meetings.	G
commissions or procures services, assessing whether it is realising the expected benefits	The Trust has strong contract management arrangements in place, with provisions for issue resolution and oversight of managed service contracts. At the ICS level, joint procurement of services and system-wide savings are facilitated by a Memorandum of Understanding between providers. The Capital Investment Group oversees the development of the capital plan, including the procurement of an Electronic Patient Record system and the 3Ts Programme which is part of the national New Hospital Programme.	G

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Improving economy, efficiency and effectiveness



## Areas for improvement

### Referral to Treatment (RTT) and Cancer performance

The Trust was placed in Tier 1 under the NHSE oversight framework for RTT and Cancer in September 2023. This classification provides access to increased support but also leads to heightened oversight, informing the NOF segmentation. The national process is aimed at increasing the pace of reducing waiting times for patients. Although there has been a reduction in the number of patients waiting more than 65 weeks for treatment and the overall size of the Trust's waiting list since September 2023, sustaining performance has been challenged by industrial action and increased demand. The Trust anticipates remaining in Tier 1 until the 2025/26 FY, primarily due to its RTT performance.

The Trust has achieved significant improvements in Cancer performance, successfully meeting the NHSE's 62-day backlog threshold target for March 2024, marking the largest recovery observed across any provider in the country. Despite the improvement trajectory, the Trust has ongoing issues with meeting targets for metrics such as the faster diagnosis standard and 2 week waits.

For RTT, there has been a 9.5% increase in the total waiting list since March 2023. However, the Trust has seen a reduction of 13,919 patients from the overall waiting list since September 2023, demonstrating better management of demand and capacity. As at the end of March 2024, 41.5% of patients are waiting longer than the target 18 weeks. The Trust has developed and implemented recovery plans to address the 65-week waits. However, as of March 31 2024, the Trust is 1,727 patients behind the plan for 65-week waits. Additionally, due to financial constraints, the Trust postponed the target of eliminating 65-week waits to the 2024/25 FY from the original target of March 2024.

The Trust has implemented recovery plans and initiatives, including targeted strategies for the most challenged specialties and investments in capacity, to alleviate longer waiting times for Cancer. Additionally, efforts to harmonise patient pathways and invest in virtual teams are ongoing to support RTT performance.

**Improvement recommendation 5**– The Trust should continue enhanced oversight of RTT and Cancer metrics through its performance monitoring arrangements until sustained improvement of performance and Tier 1 exit is achieved. Effectiveness of arrangements put in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited. This is especially critical for eliminating the 65-week RTT wait, which has been deferred into the 2024/25 FY from an original target date of March 2024.



# **Value for Money Recommendations raised in 2023/24**

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
KR1 We recommend the Trust completes the identification of the 2024/25 CIP programme by the end of quarter one to achieve a fully 'green' assessed programme. The Trust should aim for a CIP programme with 90% recurrent savings/efficiency initiatives for this year and future years. Additionally, initiate the identification of a multi-year efficiency/financial improvement programme, recognising the need for further CIPs in the medium term, and report milestone progress to the Finance and Performance Committee	Key	Financial sustainability	Review of the Cost Improvement Programme has identified significant gaps in delivery plans. Operational Plan 24/25.	High proportion of saving plans rated as 'High risk' will impact the Trust's ability to deliver sustainable financial balance.	<p>Actions: Agreed. Work is ongoing to finalise the 2024/25 efficiency plan at pace; with reporting to Committee and Board. Multi-year efficiency planning will be explicitly linked to the strategy roadmap and the requirement to achieve a breakeven exit run-rate by 31/03/2026.</p> <p>Responsible Officer: Director of Improvement &amp; Delivery</p> <p>Executive Lead: Chief Financial Officer</p> <p>Due Date: 31/07/2025</p>
IR1 The Trust should urgently conduct a comprehensive resource assessment to determine the necessary staffing, funding, and infrastructure requirements for the successful delivery of the QSIP.	Improvement	Financial sustainability	Interview with Chief Finance Officer, QSIP Plan.	Inability to deliver the Quality and Safety Improvement Plan.	<p>Actions: As part of the development of QSIP an assessment of the investment required will be undertaken and considered for inclusion in the Trust's operational plans.</p> <p>Responsible Officer: QSIP SRO</p> <p>Executive Lead: CGO</p> <p>Due Date: Q3</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR2 Acknowledging the improvements made within the Trust's framework and the development of the Medium-Term Financial planning model, we recommend that the Trust integrates this task into its standard financial operating procedures. It is crucial to ensure that the monitoring, updating, and evaluation of the medium-term financial position are conducted regularly and consistently.</p> <p>This approach will enable greater financial oversight and foresight, ultimately supporting proactive decision-making and strategic financial management within the Trust.</p>	Improvement	Financial sustainability	Finance and Performance Committee papers, Interview with Chief Finance Officer.	Continuing to update this document will allow for a longer sighted approach to the Trust financial planning.	<p>Actions: The MTFP will be updated for the revised 2024/25 financial plan. Going forward the MTFP will be reviewed quarterly, updated as appropriate and where significant developments/change are proposed.</p> <p>Responsible Officer: Director of Finance Executive Lead: Chief Financial Officer Due Date: Q2 2024/25</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>KR2</p> <p>In order to tackle long-standing issues related to organisational culture, the Trust should focus on integrating the proposed plans for improving culture into its operations, fostering consistent and sustained practices across the Trust. This should involve evaluating improvements in staff confidence to raise concerns and the organisation's responsiveness to clinical issues.</p>	Key	Governance	Review of staff survey results, Single Plan for Improvement information pack.	There is a risk the Trust may not effectively identify areas where improvement actions have not yielded the intended positive results to improve organisational culture.	<p>Actions: Proposed plans to be developed into a programme of work with clear governance routes, workstream SROs appropriate resource allocation to enable listening, action and learning from staff feedback. This will be a multi-year approach where progress can be assessed annually</p> <p>Responsible Officer: Culture SRO</p> <p>Executive Lead: CC&amp;OD</p> <p>Due Date: 2024/25/26/27</p>
<p>KR3</p> <p>It is imperative for the Trust to deliver its commitments to NHSE in a timely manner by effectively executing the Quality and Safety Improvement Programme. This involves ensuring that changes facilitated through the programme yield tangible and positive outcomes on organisational culture and quality risk management processes, fostering a culture of ongoing improvement and prioritising patient safety. It is also crucial for the Trust to determine the financial resource needs of the QSIP to mitigate the significant risk its absence poses to delivery of the program.</p>	Key	Governance	Review of staff survey results, Single Plan for Improvement information pack.	There is a risk that the Trust may encounter difficulties in delivering the Quality and Safety Improvement Programme due to resource constraints.	<p>Actions: QSIP comprises action plans with clear KPIs, delivery is overseen by a steering group led by the CEO and assured through a Board committee. Each workstream has an executive lead and an SRO. External assurance on delivery is through an established ICB and NHSE process.</p> <p>Responsible Officer: QSIP SRO</p> <p>Executive Lead: CGO</p> <p>Due Date: 2024/25/26</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR3 The Trust should prioritise further refinement of the underlying structures supporting the quality governance approach, with particular focus on enhancing the alignment with the clinical operating model and integrating the Trust's historical systems and processes. This will help to ensure continued improvement and maturity of the existing processes, fostering a more seamless and integrated quality governance framework.	Improvement	Governance	Interview with senior management, review of divisional reporting to the Patient and Quality Committee.	There is a risk of stagnation in the improvement and maturity of the Trust's processes. This could result in a fragmented and less effective quality governance framework, potentially impacting patient care, operational efficiency, and overall organisational effectiveness.	<p>Actions: On going action over 2023/4. Attendance at divisional governance meetings, embedded new reporting to QGSG and QC. QSIP program to enhance standard of ward care- audits, regulatory requirements, including Trust wide reporting. CIO developing digital integration plan for Trust to mature data quality. New single UHSx guideline review, authorisation and single virtual storage all guidelines policies. Enhanced direct oversight for all reporting subgroups. Addition of facilities and estates to Quality reporting.</p> <p>Responsible Officer: QSIP/ QSGS domain leads</p> <p>Executive Lead: CMO / CNO</p> <p>Due Date: 2025 /26</p>
IR4 We recommend the Trust produce a brief summary report as a record of actions it has undertaken to gain assurance around weaknesses within Maternity services identified from the R-v- Letby case.	Improvement	Governance	Trust Board meeting papers and minutes, interview with CGO and Company Secretary.	Potential impact on the Trust's ability to address and rectify weaknesses and may lead to continued concerns regarding the organisational culture and staff willingness to speak up about issues within the service.	<p>Actions: The Trust has an established process for considering the outcomes of relevant national reviews and will do so for Letby, Fuller, Patterson and other relevant reports when they are published</p> <p>Responsible Officer: Co-Sec</p> <p>Executive Lead: CGO</p> <p>Due Date: 2024/25 (depending on when the review are published)</p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR5 The Trust should continue enhanced oversight of RTT and Cancer metrics through its performance monitoring arrangements until sustained improvement of performance and Tier 1 exit is achieved. Effectiveness of arrangements put in place should be considered on an ongoing basis, and if these are not deemed to be improving performance, they should be revisited. This is especially critical for eliminating the 65-week RTT wait, which has been deferred into the 2024/25 FY from an original target date of March 2024.	Improvement	Improving economy, efficiency and effectiveness	Review of the March 2024 position report on constitutional standards to FPC, interview with COO.	There is a risk that the Trust may face challenges in achieving sustained improvement in performance and attaining Tier 1 exit. This could lead to a decrease in timely access to care for patients, potentially impacting patient outcomes.	<p><b>Actions: Agreed. Develop operational oversight framework and associated governance arrangements, BAU oversight incorporated into performance management framework.</b></p> <p><b>Responsible Officer: MD – planned care</b></p> <p><b>Executive Lead: COO/Dep CEO</b></p> <p><b>Due Date: 30/09/2024</b></p>

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendices

# Appendix A: Responsibilities of the NHS Trust

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The directors of the Trust are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities



## Value for Money arrangements work

All NHS Trusts are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Trust’s responsibilities are set out in Appendix A.

NHS Trusts report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Schedule 10 paragraph 1(d) National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice (‘the Code’), requires us to assess arrangements under three areas:



### Financial Sustainability

Arrangements for ensuring the Trust can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



### Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Trust makes decisions based on appropriate information.



### Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year that we have reported our findings in this way. We undertake and report the work in three phases as set out in the Code.

## Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Trust’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Information which informs our risk assessment	
Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Trust’s auditors as follows:

- **Key recommendations** – the actions which should be taken by the Trust where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Trust’s arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 We recommend that the Trust ensures that proposed changes to the risk management and review process, and quality governance arrangements are embedded from ward to Board. As per our prior year work, we recommend that specific service quality risks, such as those highlighted by the CQC, are captured at ward and care group level and escalated to Board and the relevant Committees.	Key	June 2023	There is evidence that the Trust has made progress in addressing the previous year's key recommendation to enhance risk management and quality governance structures from ward to Board. This is supported by multiple committees and group structure. Despite this progress, the Trust has yet to demonstrate the full impact of these changes on the entrenched issues surrounding organisational culture and quality risk management.	Yes	This Key recommendation is superseded by an updated Key recommendation for the Trust to establish an assurance process to assess the integration of improvements and for the Trust to ensure the delivery of the QSIP.
2 We recommend that the Trust progress at speed to develop a pipeline of CIP schemes so that the Trust can be confident that it will deliver the £62m CIP target and de-risk the delivery of the 2023/24 financial plan.	Improvement	June 2023	From our review, it has been noted that the Trust delivered 85% of its CIP programme for 2023/24. The challenging target of this year's CIP programme (£75m), has a large proportion of 'Opportunity' and 'High Risk' schemes within the operational plan.	No	We have raised one Key recommendation to ensure that the Trust is able to identify and deliver future CIP programmes.
3 We recommend the medium-term financial plan is updated further to provide assurance that the Trust can achieve financial sustainability in the next 3 to 5 years. The plan should: - be aligned with other Trust plans (for example workforce, operational plans and estates) and be aligned with the system medium term financial plan and assumptions; - be underpinned by a detailed pipeline of financial opportunities over the 3-5 year period.	Improvement	June 2023	From our review, the Trust have developed a new financial model to analyse the medium to longer term outlook of the Trust, which is updated and presented to the Finance and Performance Committee and Board.	Yes	We recommend that the Trust integrates this task into its standard financial operating procedures. It is crucial to ensure that the monitoring, updating, and evaluation of the medium-term financial position are conducted regularly and consistently.

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
4 We continue to recommend that work is progressed on the above prior year improvement recommendation, as management continues to work through the paper due to the Trust Board later this year, which will detail progress against benefits realisation which will serve as the post implementation review recommended.	Improvement	June 2023	A progress report on benefits realisation was due to be presented to a Board Committee in 2023. This work did not eventuate, and the Trust decided to adopt a forward-looking approach to benefits realisation. The work being undertaken by the Chief Strategy Officer in completing a 5-year service development roadmap as part of the Trust strategy development addresses how the Trust will finalise the integration of the legacy organisations and operating model and therefore realise the benefits of the merger business case.	No	No
5 The Trust should ensure plans to improve operational performance are actioned and implemented.	Improvement	June 2023	The Trust implemented actions to improve operational performance as planned in the prior year. Industrial action and ongoing increase in demand make operational performance position difficult. Although the Trust has entered Tier 1 for RTT and Cancer performance, the Trust has demonstrated an improvement trajectory for many of the NHS constitutional standards, with further improvement actions planned for the 2024/25 FY.	Yes	We have recommended that The Trust should continue enhanced oversight of RTT and Cancer metrics through its performance monitoring arrangements until sustained improvement of performance and Tier 1 exit is achieved.
6 The Trust should consider how it can improve the People section of the IPR to be more detailed and user friendly so trends can be easily tracked by the Board	Improvement	June 2023	Our review of the IPR reported to the Trust Board shows greater detail in the People section of the report.	Yes	No

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
7 We recommend the Trust continues to ensure actions outlined to improve BI and reporting are implemented.	Improvement	June 2023	<p>There are various ways the Trust has improved its BI and reporting function. As outlined in the Trust Annual Governance Statement:</p> <ul style="list-style-type: none"> <li>The Trust's data quality team continue to proactively undertake data cleaning activities daily</li> <li>The Trust is in the final stages of developing a data quality kite marking process which is planned to be implemented in the 2024/25 year.</li> <li>The Trust continues to access the national Secondary User System Clinical Data Set data quality dashboards which provide assurance around completeness of key administrative data, where the Trust has performed well above target level in terms of completeness of records.</li> <li>The Trust has recently set up new Trust wide governance to support Data Quality. This has cross organisation representation and will drive the wider Trust Data quality improvements leading into the planned EPR procurement.</li> </ul>	Yes	No
8 The SOF rating report to the board should be more detailed with narrative against the Trust's performance against set targets by the ICB and NHSE.	Improvement	June 2023	<p>We acknowledge the increased level of detail included in the NOF reporting section of the IPR. While the NOF report remains relatively high-level, we are content with the Trust's decision not to introduce additional specific reporting metrics beyond those already presented to the Board through QSIP delivery and Tier 1 oversight of RTT/Cancer reporting.</p>	Yes	No

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

© 2024 Grant Thornton UK LLP.



---

[grantthornton.co.uk](https://www.grantthornton.co.uk)

© 2024 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.